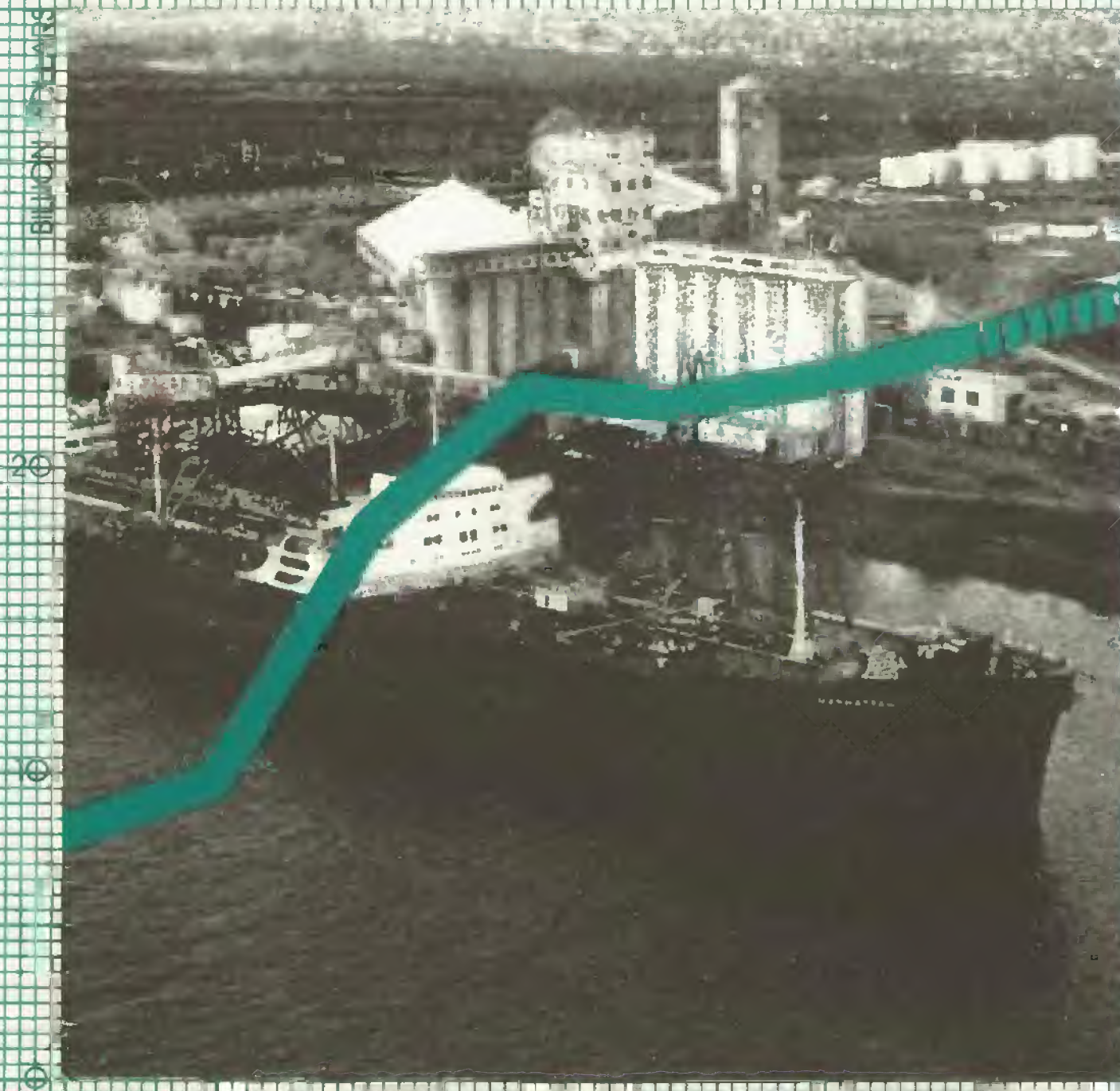


AGRICULTURAL OUTLOOK

APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD
UBDA • ECONOMICS, STATISTICS AND COOPERATIVES SERVICE • AO-33



US FARM EXPORTS (FISCAL YEARS 1971-FORECAST 1978)

JUNE 1978



June 1978/AO-33

Page

1 Agricultural Economy

Mainly as a result of rising farm prices, net farm income in 1978 could hit \$25 to \$26 billion, up from \$20½ billion last year. But in terms of real purchasing power, using 1967 dollars, net farm income will top last year by only \$2 billion.

5 Food and Marketing

Continued strong meat prices, along with volatile fresh vegetable prices and strong consumer demand, have continued to push retail food prices up sharply during the first half of this year. It now appears that retail food prices in grocery stores for all of 1978 may average around 8 to 10 percent above last year.

8 Commodities

Despite continued large supplies, farm prices are running well above last year because of strong foreign and domestic demand and the movement of grain supplies into stocks. Plentiful supplies of feed are encouraging continued expansion of livestock and poultry feeding.

12 Recent Publications

A brief listing of USDA reports, arranged by subject matter, which might be of interest to Agricultural Outlook readers.

14 World Agriculture and Trade

A broad-based strengthening in demand for U.S. farm products and recent price advances may boost 1977/78 U.S. agricultural exports \$1 to \$2 billion over last year's record \$24 billion.

16 Transportation

Substantial shortages of railcars and spot shortages of other equipment, together with generally higher transportation rates, are expected to prevail during 1978.

17 Inputs

Interest rates for both real estate and non-real estate farm loans are expected to move higher this year.

18 Policy

An update on provisions of the Emergency Agricultural Act of 1978 and recent USDA actions.

20 Statistical Indicators

A tabular presentation of key data series for the food and fiber sector.

Economics Editor: Robert R. Miller (202) 447-7330

Assistant Economics Editor: Ruth Elleson (202) 447-7643

Managing Editor: Geraldine Schumacher (202) 447-8590

Editorial Staff: Adrie S. Custer, Neal Holland Duncan, Shirley Hammond, B. Eric Van Chantfort, Eileen C. Sikes
Statistical Coordinator: Eileen Johnson
Production Staff: Dolores C. Burrell, Patricia D. Hughes, Sheila L. Turner

For further information on subjects discussed in this report, you may wish to contact the persons listed at the end of individual sections.

Contents of this report have been approved by the World Food and Agricultural Outlook and Situation Board and the summary was released May 30, 1978. Materials may be reprinted without permission. Agricultural Outlook is published monthly, except for the January/February combined issue.

Annual subscription: \$17.00 U.S., \$21.25 foreign. A 25-percent discount is offered on orders of 100 copies or more to one address. Order from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Make check payable to Superintendent of Documents. Allow 6 to 8 weeks for delivery.

Annual subscription in microfiche: North American Continent addresses \$25.75 first order, \$21 for each additional order to same address, other foreign addresses \$45 each subscription. Order from National Technical Information Service, Springfield, VA 22161. Refer to publication code NTISUB/C/151 and make check payable to NTIS.

Address change: Please return the mailing label from your most recent issue, including your new address, to: Agricultural Outlook, Room 482 GHI Bldg., ESCS-USDA, Washington, D.C. 20250. Allow 6 weeks for processing.



Farm Prices, Farm Income, and Food Prices Up Sharply

Outlook Highlights

— Continued strong meat prices, along with volatile fresh vegetable prices and with strong consumer food demand, have continued to push retail food prices up sharply during the first half of this year. It now appears that retail food prices in grocery stores for all of 1978 may average around 8 to 10 percent above last year, somewhat above our previous forecast range.

— Sharply higher livestock receipts and increased government payments will likely push net farm income, excluding inventory adjustment, to around \$25-\$26 billion this year, up from \$20½ billion in 1977.

— Prospects for U.S. agricultural exports have picked up in recent months reflecting increased prices for many commodities and larger than earlier expected export volume for soybeans and cotton. Total 1977/78 exports are now likely to rise \$1 billion to \$2 billion from last year's \$24 billion.

— U.S. economic activity continues to rebound from weather and coal strike-restricted levels in the first quarter, and consumer food demand is extremely strong. In our major foreign markets, 1978 economic growth may run slightly ahead of last year, although still below past trends.

— Farm prices have strengthened running a tenth above a year ago led by sharply higher prices of cattle and hogs.

— Red and poultry meat production in 1978 may hold close to last year's 50 billion pounds with smaller beef output offset by larger supplies of poultry and a little more pork. Strong consumer demand has absorbed relatively large quantities of meat at substantially higher prices.

Agricultural Outlook Modified Substantially

The food and agricultural outlook has changed substantially since 1978 prospects were being evaluated last fall. At that time, we had harvested record 1977 crops, the third successive year of large production. Stocks of grain were building and prices were under downward pressure. Although

crop prices had risen some from their harvest-time lows, prices of supported crops were generally holding close to support levels. Large supplies and relatively cheap grains were expected to stimulate the domestic output of livestock and products. Although overall beef production was expected to decline, sharply higher first half pork and poultry production was being counted on to check prices. World grain producers harvested large crops in 1976 and 1977, and world grain stocks were building, even though most of the stock increase was centered in the United States. Although the value of U.S. exports of agricultural products was contemplated to be strong in 1977/78, export values were forecast last fall at levels somewhat below the previous year.

At that time, 1978 prospects pointed to rather stable farm prices and little change in

net farm income from 1977. Increased marketing costs were expected to cause a moderate rise in retail food prices with little upward pressure from the farm side.

But developments during last winter and this spring have yielded quite different results and have substantially modified the outlook for the remainder of the year. What are some of the unexpected developments that have modified the food and agricultural outlook for 1978?

— Severe weather this past winter disrupted marketing of livestock, slowed weight gains for cattle and hogs, and caused many disease problems for livestock producers. Livestock prices began to climb.

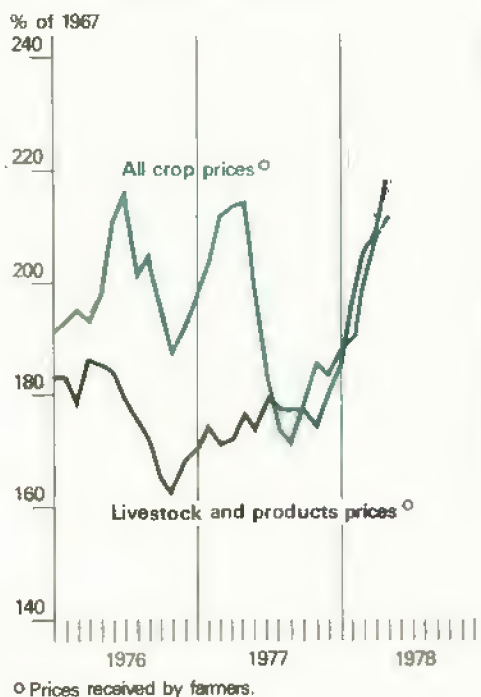
— On the demand side, the harsh weather and the long coal strike reduced economic activity in the first quarter. With settlement of the strike and the spring thaw, economic activity picked up and consumer demand has been very strong. Inflation has also accelerated and is now running at a higher rate than was earlier expected.

— Hog producers, who last fall had indicated plans to expand pork output by a tenth this year, reported in early 1978 a sharp reduction from those plans. Pork output is now expected to rise only modestly—perhaps 2-3 percent—in 1978 with no change during the first half. Coupled with prospects for lower beef production, total red meat supplies this year are likely to be down 3 or 4 percent from 1977. The strong surge underway in consumer demand for meats along with lower red meat supplies have driven farm prices of cattle, hogs, and broilers and retail prices of all meats sharply higher.

— Heavy rain in California disrupted harvesting and planting of fresh vegetable crops causing a temporary skyrocketing in lettuce prices.

— After lagging early in the year largely due to weather-caused transportation problems and elevator explosions, and the more recent developments in Brazil's soybean crop, U.S. agricultural exports have come back strong in recent months. The

FARM PRICES STILL RISING



weakness of the dollar in world markets made U.S. farm products a better buy in some markets but has also made imported goods more expensive.

— The drought-reduced soybean crop in Brazil—the second leading world exporter of soybeans—boosted foreign demand for U.S. soybeans.

— Crop prices, stagnant in late 1977, have increased materially since the beginning of the calendar year reflecting heavy use of the loan and reserve programs, improved export prospects, and program changes to divert further acreage.

— Plantings are off to a slow start this year, although subsoil moisture supplies are ample to excessive in most areas of the country in contrast to last year's very dry conditions.

The changes outlined above add up to a much improved price and income picture for farmers. But at the same time, the rise in retail food prices has accelerated.

Food Prices May Rise 8-10 Percent in 1978

The sharp advance in retail food prices, which began to accelerate last winter, continues through early spring. First half retail food prices continue to rise, running about 8 percent above year-ago levels. Strong food demand along with smaller than expected red meat supplies and a weather-reduced output of some fresh vegetables are contributing to the higher food prices.

FOOD PRICES CONTINUE TO RISE RAPIDLY



Based on the strong price advances early this year and taking into account uncertainties about the rest of 1978, it now appears that 1978 retail food prices may average 8-10 percent above last year, somewhat above our previous forecast.

In contrast to the 1974-77 period, higher farm prices will be accounting for a major portion of the 1978 food price increase. This year, farm prices of domestically produced foods may rise 12-15 percent and account for 50-60 percent of the overall food price rise. Increased marketing spreads—boosted by rising labor costs—will account for most of the remainder. (See the Food and Marketing Section for a more detailed description.)

Domestic and Export Demand Strong

Consumer food demand continues strong, especially for meats, reflecting increased consumer incomes and larger employment.

General economic activity continues to rebound following the weather and coal strike reduced first quarter level. The unemployment rate fell to 6.0 percent in April from March's 6.2 percent. Industrial production was up about 1 percent in both March and April following declines earlier this year. Personal incomes rose around 1½ percent in both March and April.

After lagging last winter, U.S. agricultural exports have picked up in recent months and prospects have improved considerably for the year reflecting recent stronger prices especially for oilseeds and grains. The drought-reduced soybean crop in Brazil—the world's second largest exporter of soybeans—has boosted overseas demand for U.S. soybeans.

Agricultural exports in 1977/78 are now expected to rise some \$1 to \$2 billion from last year's \$24 billion. With agricultural imports likely to total about \$13.5 billion in 1977/78, a trade surplus of around \$12 billion is likely, up from \$10.6 billion last year. (See the World Agriculture and Trade section for more detail.)

Farm Prices Rise Sharply

Farm prices continued to push upward in recent weeks. Livestock prices have advanced the most since the beginning of 1978, but crop prices have been moving up recently.

Prices received by farmers for livestock and products in May were up almost a

fourth from a year ago with most of the increase occurring since January. Largest gains have been for meat animal prices, which were up a third from last May.

Although still trailing year-ago levels, crop prices received by farmers have increased about a tenth since January.

For all of 1978, farm prices may average around 12 to 15 percent above year-ago levels, after holding fairly stable the past 2 years.

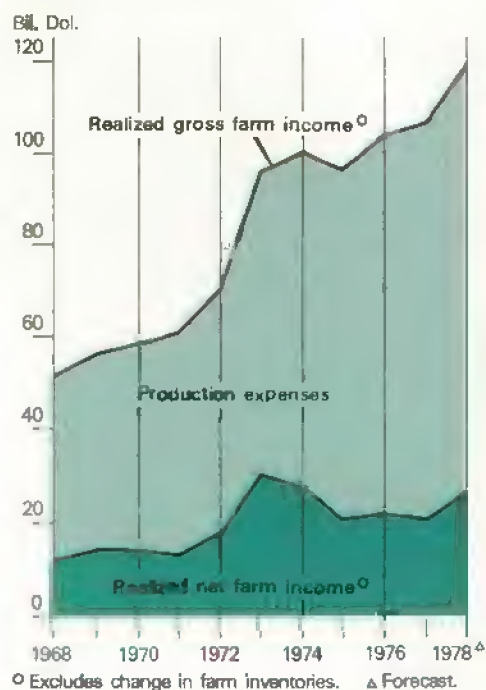
Net Farm Income Could Hit \$25-\$26 Billion

Sharply higher livestock receipts, some rise in crop receipts and larger government payments are likely to boost 1978 gross farm income 10 to 12 percent over 1977's \$106 billion. Livestock receipts this year could be up around \$10 billion to a record high. Government payments may rise around \$1 billion from 1977's \$1.8 billion. The recent boost in target prices for 1978-crop wheat to \$3.40 per bushel is expected to add around a half billion dollars in wheat deficiency payments this year.

The costs of farming continue to push upward. Production expenses in 1978 may be up some 8-9 percent, mainly reflecting increased input prices.

Despite higher expenses, net farm income is likely to be up materially in 1978—perhaps hitting \$25-\$26 billion, excluding inventory adjustment, compared with \$20½

FARM INCOME LIKELY TO CLIMB IN 1978



billion last year. However, this would still be under 1973's \$30 billion high, and in terms of real purchasing power is some 40 percent below 1973. Net farm income, including the value of inventory change, may total about \$24 billion this year, up from \$21½ billion in 1977. Expressed in 1967 dollars, this would be about \$12 billion compared with roughly \$11½ billion the last 2 years.

Early Season Crop Projections Tentative

The 1978 crop season is just underway in most areas of the country and weather is already playing a key role in evaluating this year's crop prospects. Wet, cool weather over much of the country has slowed crop planting progress this season. However, farmers made good progress in getting their crops planted during the second half of May, and forecasts were indicating dry weather into the first part of June. Many farmers will be able to catch up by early June in the eastern Corn Belt, and western areas should be very close to completion.

By May 27, around 74 percent of the corn acreage had been planted compared with a normal 89-percent rate, and some 34

percent of the soybeans was in the ground versus a normal 58-percent planting pace.

However, these same heavy rains have replenished subsoil moisture in sharp contrast to the relatively dry conditions that were prevailing in many areas at this time last year.

Early season projections of crop production are highly tentative, especially on the yield side. There are no reliable techniques for anticipating what combinations of weather, disease, or insect damage might prevail during the planting, growing, and harvesting season.

This year, even planted acreage, which is usually indicated fairly well by the April 1 planting intentions, is more than usually uncertain. Changes in program provisions announced March 29 were likely not reflected fully in growers' intentions.

As a result, feed grain acreage this year may be down around 2 to 4 million acres from the 123 million acres expected to have been planted as of April 1. Most of this drop will likely occur in corn. By mid-May, farmers had ear-marked 4.9 million acres of feed grains for the land diversion program. Farmers had until May 31 to sign up under these programs.

Other factors impacting acreage planted are weather and economic developments. If the wet weather continues in the Midwest, some growers are likely to switch from corn

to soybeans. Also, price relationships of soybeans and corn in recent weeks have been running at around 2.7 and 2.8 which favors soybeans. The continued strong demand domestically and overseas for our soybeans will bolster price prospects in coming months.

The combination of wet Corn Belt weather and favorable soybean price relationships could cause a further cut in corn acreage as farmers shift to soybeans.

Weather—primarily the distribution of rainfall and temperatures during the season—plays a key role in crop yields. However, other factors are also important. A recent analysis of U.S. corn yields during the 1954-77 period indicates that total planted acreage, fertilizer use and technology, along with weather, were important factors affecting corn yields.¹

Increases in planted acreage have a negative effect on yields since productivity is reduced as more land is brought into production. In contrast, nitrogen use, July precipitation, and trend all tend to boost yields. Increased fertilizer application rates have accounted for over half of the higher corn yields since the mid-1950's, while trend has represented the remainder. Technology or trend reflects better management and

¹ Butell, Robert and Naive, James J., "Factors Affecting Corn Yields", *Feed Situation*, F'ds 269, ESCS, Wash., D.C., May 1978.

West To Have Adequate to Abundant Water Supply

Heavy snowpack lingering on Western mountains will produce adequate to abundant summer water supplies.

A major storm dumped as much as 5 feet of snow on parts of Wyoming and Colorado the first week in May. USDA's final snow surveys of the season indicate the additional snow will boost summer water supplies for the region by 10 to 50 percent. Cool, wet weather has delayed snowmelt in the Sierra Nevada, where a heavy snowpack as piled up this winter. Runoff will be much above normal, reversing the severe drought of the past 2 years.

In the Cascade Mountains of Oregon and Washington, warm rains depleted the early winter snowpack, and little additional snow has accumulated since December. As a result, snowpack is only 30 to 50 percent of normal, and runoff from snowmelt will be much less than normal.

Water supplies are expected to be normal or better elsewhere in the West. Supplemental water stored in reservoirs is below normal in Colorado, Nevada, and New Mexico but is normal or better elsewhere.

SUPPLY AND USE OF MAJOR CROPS

	Production	Domestic use	Exports	Ending stocks	Season average price
	Mil. unit				\$ per bu.
Corn (bushel)					
1976/77	6,266	4,100	1,684	884	2.15
1977/78 estimated	6,357	4,285	1,750	1,207	2.05
1978/79 projected ¹					
Alternative I	6,700	4,685	1,500	1,723	1.90-2.00
Alternative II	5,500	4,265	1,800	643	2.40-2.60
Wheat (bushel)					
1976/77	2,142	748	950	1,112	2.73
1977/78 estimated	2,026	835	1,100	1,205	2.31
1978/79 projected ¹					
Alternative I	1,920	786	1,000	1,341	2.25-2.75
Alternative II	1,610	684	1,300	833	3.25-3.75
Soybeans (bushel)					
1976/77	1,288	866	564	103	6.81
1977/78 estimated	1,716	999	650	170	6.00
1978/79 projected ¹					
Alternative I	1,900	1,060	700	310	5.25-5.75
Alternative II	1,550	995	625	100	7.50-8.00
Cotton (bale)					
					Cts. per lb.
1976/77	10.6	6.7	4.8	2.9	64.1
1977/78 estimated	14.4	6.7	5.5	5.4	52.0
1978/79 projected ¹					
Alternative I	13.0	7.3	4.8	6.5	—
Alternative II	11.0	6.3	6.2	4.1	—

¹ Alternative I reflects favorable production conditions worldwide; Alternative II assumes unfavorable production conditions worldwide.

agricultural practices facilitated by improved varieties and larger use of pesticides, mechanization, and irrigation. The weather variable used shows the impact of precipitation in July when the need for rainfall during pollination is especially critical for kernel development.

The relationships described in this analysis would point to a somewhat higher corn yield this year based on reduced corn acreage—likely to the lowest level since 1973—some increased fertilizer application, trend, and assuming fairly usual July precipitation.

However, the impact of late plantings on corn yields was not considered in this analysis. Later planted corn has a lower yield potential under normal summer conditions. And cold wet weather immediately after planting will slow germination and enhance disease and weed problems.

A general rule-of-thumb is that yields are reduced about a bushel per day for each day after May 10 that the crop is planted.

However, this optimum date for corn planting varies geographically across the Corn Belt and also varies by seed variety.

These late-planted yield reductions are based on a normal season. Corn and other crops were planted unusually early last year, but short subsoil moisture made the crop dependent on rainfall during the season. And 1977 corn shelled out at almost 91 bushels to the acre, the third highest on record. On the other hand, corn was planted late in 1973 and 1974. But the summer of 1973 was close to ideal and corn yields were relatively high. In contrast, 1974 planting was followed by unfavorable weather and corn yields were down sharply to only 72 bushels per acre.

Amply to excessive subsoil moisture levels this year should be a positive production factor offsetting some of the impact of late plantings. Also, farmers now have the equipment necessary to plant corn very rapidly with any break in the weather.

Because of these uncertainties, two

supply-use alternatives have been developed. These alternatives were designed to capture two of three possible outcomes.

Alternative I assumes generally favorable weather conditions worldwide. Under this situation, U.S. production would be up again—perhaps 4 to 5 percent over 1977. Supplies would exceed projected usage in 1978/79, causing a further buildup in stocks. This would put downward pressure on prices, although placement of large quantities of grain in the producer-held reserve would help prices. Large world crops would likely reduce grain exports from last year.

Alternative II assumes relatively low world production due to quite unfavorable planting, growing, and harvesting conditions. Under these conditions, U.S. production of grain and soybeans in 1978/79 could drop around 15 percent from a year earlier and fail to keep up with disappearance. This could pull stocks down and result in significantly higher grain and soybean prices than in 1977/78.

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1975	1976	1977				1978				
	Annual	Annual	II	III	IV	Annual	I	II	III	IV	Annual
Forecast											
Prices received by farmers (1967=100)	185	186	189	176	179	183	193	210	214	207	206
Livestock and products (1967=100)	172	177	174	178	177	175	195	214	225	221	214
Crops (1967=100)	201	197	209	175	182	192	191	205	201	191	197
Prices paid by farmers, all items (1967=100)	180	191	204	202	202	202	211	218	222	223	219
Production items (1967=100) ¹	187	198	211	207	206	208	218	226	231	230	226
Farm production (1967=100)	114	117	—	—	—	121	—	—	—	—	—
Livestock and products (1967=100)	101	106	—	—	—	108	—	—	—	—	—
Crops (1967=100)	121	121	—	—	—	129	—	—	—	—	—
Farm income: ²											
Cash receipts (\$ bil.)	88.1	94.3	97.1	90.4	95.9	95.0	100.9	107	105	106	105
Livestock (\$ bil.)	43.0	46.4	46.8	47.8	48.9	47.4	52.7	55	58	58	56
Crops (\$ bil.)	45.1	47.9	50.3	42.6	47.0	47.6	48.2	52	47	48	49
Realized gross farm income (\$ bil.)	96.7	103.6	107.2	100.8	110.0	106.1	113.3	120	117	120	118
Production expenses (\$ bil.)	75.9	81.7	86.5	83.3	88.5	85.7	91.5	95	92	93	93
Farmers' realized net income (\$ bil.)	20.8	21.9	20.7	17.5	21.5	20.4	21.8	25	25	27	25
Farmers' total net income (\$ bil.) ³	24.3	20.0	21.2	17.5	25.0	21.3	22.3	23	23	23	23
Market basket: ⁴											
Retail cost (\$)	1,876	1,895	1,932	1,948	1,952	1,937	2,028	2,116	2,142	2,140	2,107
Farm value (\$)	784	748	749	755	751	749	806	861	875	857	850
Spread (\$)	1,092	1,147	1,183	1,193	1,201	1,188	1,222	1,255	1,267	1,283	1,257
Farm share (%)	42	39	39	39	38	39	40	41	41	40	40
Retail prices:											
Food (1967=100)	175.4	180.8	192.1	194.8	195.4	192.2	201.0	208	211	211	208
At home (1967=100)	175.8	179.5	190.3	192.7	192.8	190.2	199.2	206	208	208	206
Away-from-home (1967=100)	174.3	186.1	199.1	202.8	205.4	200.3	208.2	214	219	223	216
Per capita food use (1967=100)	102.0	105.7	—	—	—	104.7	—	—	—	—	104.4
Animal-products (1967=100) ⁵	98.2	103.4	101.5	103.3	105.6	103.7	101.1	100.5	101.7	104.9	102.0
Crop-products (1967=100)	104.9	107.8	—	—	—	105.9	—	—	—	—	106.6
Agricultural exports (\$ bil.) ⁴	21.9	22.8	6.2	6.3	5.0	24.0	6.1	6.5	6.8	6.1	25.5
Agricultural imports (\$ bil.) ⁴	9.5	10.5	3.6	3.9	3.1	13.4	3.0	3.9	3.4	3.2	13.5

¹ Including interest, wages, and taxes. ² Quarterly data are seasonally adjusted at annual rates; 1977 and first quarter 1978 data are preliminary estimates. ³ Includes net change in farm inventories. ⁴ Quarterly data are given at annual rates. ⁵ Quarterly data exclude fish products. ⁶ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters not calendar year quarters, i.e. IV 1977 means July-Sept. 1977, I 1978 means Oct.-Dec. 1977, etc..



Food and Marketing

The sharp rise in retail food prices, which began last winter, apparently has continued unabated through early spring. Second quarter retail food prices now appear likely to average 3 to 4 percent above the previous quarter and 8 or 9 percent above a year earlier, based on market developments through most of May. Grocery store food price increases are now expected to rise slightly more than away-from-home food prices.

USDA's earlier forecast called for a second quarter advance in grocery store food prices of about 2 percent from the first quarter and about 7 percent from a year ago, with away-from-home food expected to climb slightly faster. First quarter at-home food prices were up about 3 percent from October-December 1977 and were nearly 8 percent above a year earlier.

Further price increases for red meats and poultry likely will account for much of the second quarter food price rise. Strong consumer demand, in the face of smaller supplies of red meat, particularly beef, with only a partial offset provided by larger poultry output, have continued to push retail meat prices much higher in recent months.

Rising fruit and vegetable prices are also contributing heavily to the second quarter food price rise, despite the fact that lettuce prices are now retreating to more normal

levels. Skyrocketing lettuce prices early this spring reflected the effect of excess rains in California at planting time, and early 1978 price increases for several other fresh fruits and vegetables were larger than usual.

Moderate retail price rises are likely to be recorded for most other major foods during the second quarter, reflecting a combination of higher commodity prices and rising costs for processing and marketing firms. Lower prices for eggs and coffee this spring will partially offset the general food price advance.

Farm Prices Higher Than Earlier Expected

In contrast to most of the period from 1974 through 1977, higher prices for farm commodities are contributing to most of the upward push on retail food prices during the first half of 1978. Earlier this year, anticipated supply-demand conditions for food commodities were expected to hold overall farm prices fairly steady. But the sharp cut-back in expected pork supplies, accompanied by lower beef production, has driven farm prices of livestock sharply higher.

Reduced citrus output, along with weather-reduced supplies of some fresh vegetables, has resulted in sharply higher grower prices of these items. Grain and soybean prices have also advanced more than earlier expected because of strong foreign demand and domestic farm policy actions. As a result, the second quarter farm value of foods which originate on U.S. farms is now expected to average 6 to 7 percent above the first quarter and around 15 percent over a year earlier.

Farm-to-retail price spreads (the difference between what farmers receive and what consumers pay for domestic farm foods in grocery stores) are rising less rapidly than the underlying rate of inflation. The increases reflect higher costs for labor and other inputs used by marketing firms. Second quarter price spreads are now expected to average 2 to 3 percent above the previous quarter and around 6 percent above a year ago.

Average prices for imported foods and fish appear to be holding about steady. Declining coffee prices are expected to offset further increases for most other items. Last year rapidly rising coffee prices provided most of the upward pressure on retail food prices.

Second Half Food Price Gains May Slow

Present indications of supply, demand, and marketing cost conditions facing the food industry suggest that retail food prices are likely to continue to rise through most of the summer. Red meat prices are expected to rise further, reflecting continued strong consumer demand, while supplies remain generally tight and food marketing firms pass increases in prices and marketing costs for live animals on to the consumer.

However, barring major weather problems in important producing areas at home and abroad, food price increases may slow as the harvesting season for major field crops, fruits, and vegetables draws closer.

If weather is generally favorable, third quarter prices for grocery store food likely will average 1 or 2 percent above the second quarter, and remain around 8 percent above a year earlier. Prices for food away from home likely will rise a little faster, reflecting greater demand and more pressure from non-food costs at eating places.

Looking ahead to the fall quarter, favorable weather conditions for major crops, along with expected seasonal output gains for pork and poultry, likely would hold average retail food prices about steady at the third quarter level, and about 8 percent above a year earlier. Moderate price declines for red meat, poultry, and most fresh produce may about offset further increases for most other major food categories. Moderate price rises for most of the highly processed food items would primarily reflect continued marketing cost increases after commodities leave the farm.

Conversely, widespread bad weather at home and abroad through the summer and fall, if accompanied by smaller than expected supplies of livestock products, likely would keep additional upward pressure on farm commodity prices. Coupled with continued inflationary pressure from marketing costs and stronger increases in consumer demand, food prices could continue to rise through the entire year. Under these conditions, food prices could end the year a tenth or more above a year earlier.

1978 Food Prices May Be Up 8 to 10 Percent

Considering the strong price rises early this year, and taking into account a major portion of the uncertainties during the remainder of the year, retail food prices for all of 1978 now appear likely to average around 8 to 10 percent above 1977. Prices for both the at-home and away-from-home categories are expected to show similar rates of change from their year-earlier averages.

The farm value of domestic food commodities is expected to average 12 to 15 percent above a year earlier and account for about half to as much as three-fifths of the average 1978 grocery store price rise. Of course, this would depend on weather conditions and the pattern of farm prices through the remainder of the year.

Marketing charges for these foods likely will account for most of the remainder of the average food price increase. Gains in farm-to-retail spreads may pick up to around 7 percent above a year earlier late this year, following relatively small year-to-year increases during the first half. Consequently, marketing spreads for all of 1978 could average about 6 percent above last year.

Prices for imported foods and fish are expected to average 4 or 5 percent above a year earlier and account for a little less than a tenth of the 1978 food price rise. This is in contrast to last year when prices of these items averaged a little more than 30 percent above a year earlier and contributed to about two-thirds of the 1977 food price rise.

Current forecasts of farm commodity prices, marketing costs, and retail food prices take account of the major portion of the uncertainty surrounding supply and demand conditions in the food sector. However, they do not encompass the entire range of possibilities.

Major shortfalls in U.S. or world crop harvests, severe disruptions in the flow of commodities from producers to consumers, or more pronounced inflationary pressures in domestic and world economies are examples of conditions which could cause food prices to rise even more than now seem likely.

Conversely, ideal weather conditions leading to large crop harvests worldwide,

larger output of livestock products than currently anticipated, or some contraction of consumer demand could still result in a 1978 food price rise below the current forecast range.

Food Prices Up Again in April

Grocery store food prices rose a little over 1 percent from March to April based on the unrevised Consumer Price Index. Virtually all of the rise results from higher returns to farmers for food produced on U.S. farms as farm-retail spreads (marketing charges) were about the same. Imported foods and fish prices registered a slight decline.

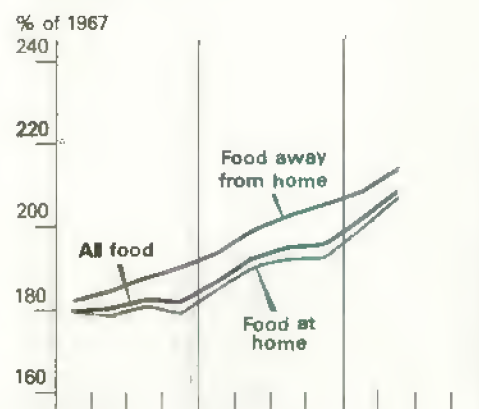
Retail food prices rose for most categories, except for eggs and beverages which were down moderately, and for cereal and bakery products and processed fruits and vegetables which were nearly unchanged. Fresh fruits and vegetables were up around 3 percent, with lettuce, onions, cucumbers, green peppers, and apples contributing most to the rise. Beef prices rose 4 percent, pork prices were up about 2 percent, and poultry prices increased about 3 percent.

For the second consecutive month, sharp increases in returns to farmers accounted for all of the grocery store food price rise. The farm value of domestically produced foods increased 3.6 percent in April, while marketing spreads held about steady, despite continued upward pressure on operating costs of food marketing firms.

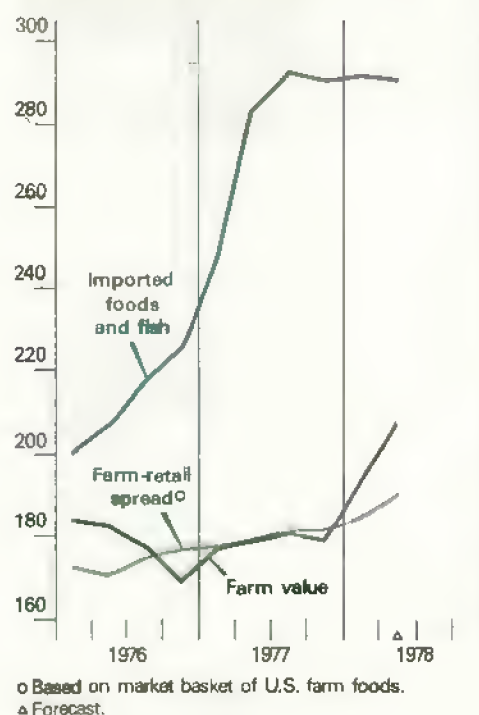
Prices of imported foods and fishery products declined about 0.3 percent in April, compared with a 1.4-percent rise for domestically produced foods. Increases for fishery products, sugar, carbonated drinks, and chocolate products were offset by decreases for bananas and coffee.

Compared with last year, grocery store prices in April were up about 8 percent. Higher prices to farmers, up 15.6 percent, accounted for slightly more than three-fifths of the rise. April marketing spreads were up about 3 percent from last year, while prices for fish and imported foods were up nearly 8 percent. Away-from-home food prices were up a little less than grocery store prices. Year-to-year increases for these prices, reflect both higher food and operating costs. *Larry Summers, (202) 447-8707, and Henry Badger, (202) 447-8454*

RETAIL FOOD PRICES UP SHARPLY IN EARLY 1978 ...



... LED BY HIGHER FARM VALUES, IN CONTRAST TO RECENT YEARS



Rising Labor Costs To Keep Pressure On Marketing Margins

Continuing a long-term trend, higher marketing costs will again be an important contributor to food price hikes this year. Labor costs, which account for nearly half of total marketing costs, will be boosted by wage increases of workers considerably greater than productivity gains.

Based on data compiled by the Department of Labor, most workers covered by major collective bargaining agreements, defined as labor contracts covering 1,000 or more workers, will receive wage increases in 1978. While only a relatively small proportion of workers in the food industry are

represented by major contracts, the agreements often set the wage pattern for the industry.

About 231,000 workers in food manufacturing will receive deferred wage increases averaging about 6.4 percent (40.6 cents per hour) in 1978, compared with last year's 7.2 percent. In addition, about a third of these workers also may receive cost-of-living wage increases. Contracts are terminating this year affecting about 68,000 workers or only about a fourth of the food manufacturing workers covered by major collective bargaining agreements.

Labor costs also will be rising in the retail food store industry. About 336,000 retail clerks and various other workers are scheduled to receive wage increases averaging 7 percent this year from contracts negotiated in earlier years. Nearly this many workers also may receive wage increases resulting from cost-of-living escalator clauses in these contracts.

Contracts for about 165,000 workers in food retailing will be renegotiated in 1978—a relatively heavy wage bargaining year compared with food manufacturing. Since new contracts usually provide larger wage increases in the first year of the agreement than in succeeding years, the heavy bargaining in 1978 will add to the pressure that exists to increase food prices to cover rising costs. The heaviest bargaining on new contracts, mainly involving workers belonging to the Retail Clerks International Union, will occur in the third quarter of this year. *Denis Dunham, (202) 447-8454*

Food Consumption To Ease in 1978

The 1978 per capita food consumption index is currently estimated to be slightly below the 1977 level. Smaller supplies and lower per capita consumption of animal products likely will more than offset an expected increase for crop foods. The per capita consumption index for animal products is expected to dip about 1 percent, while foods from crops may be up by a smaller margin.

The estimated 1978 total per capita food consumption index would be 1.2 percent below the record level of 1976. Both animal

products and crops show declines from 2 years ago.

The index of red meat consumption in 1978 is expected to show a 4-percent decline from last year because of a likely reduction in beef consumption. Beef production is in a cyclical decline, as reduced numbers are available for slaughter. Pork consumption is expected to be about the same as the 1977 level, as producers' efforts to expand production have been hurt by bad weather and disease problems.

Poultry meat consumption, which includes both broilers and turkeys, is expected to show a 5-percent gain from a year ago. Poultry producers are taking advantage of the currently favorable price situation and are expanding output as rapidly as possible. However, the increase is not sufficient to offset the per capita decline in red meats.

Egg consumption is expected to exceed year-earlier levels during most of 1978, but may fall below by the fourth quarter. Dairy product consumption is anticipated to be slightly above the 1977 level.

Fruit consumption this year is anticipated to be down 3 percent from last year. Fresh fruits may off 2 percent, and processed fruit consumption may be 4 percent less than a year ago due to reductions in canned and frozen fruit consumption.

Vegetable consumption is expected to show gains during 1978. Potato consumption may be up 5 percent, and other vegetables may be 2 percent above last year. However, bad weather in regions that produce early-season crops may temper the outlook.

Beverage consumption is likely to show another decline in 1978 as coffee consumption is expected to be slightly down from last year's low level in response to high retail prices. *Allen Johnson, (202) 447-8707*

Consumers Drinking Less Coffee, More Tea

Consumers have reacted to last year's high coffee prices by slashing consumption. In 1977, per capita coffee consumption totaled 9.4 pounds (green bean equivalent), down nearly 27 percent from the previous year.

However, the decline in coffee use in early 1978 from a year ago slowed somewhat from last year's pace. Per capita coffee consumption in January-March totaled 2.7 pounds, down slightly from 3.0 pounds a

year ago. And first quarter use did rise seasonally from 1977's last quarter total of 2.2 pounds.

Coffee consumption is expected to continue to decline seasonally in the spring and summer quarters. For all of 1978, coffee use per person may continue to decline, but probably only marginally from last year.

Coffee prices at all levels are expected to continue to decline this year. The seasonal increase in use during the first quarter, plus domestic roasters' willingness to modestly increase green coffee stocks, has tended to slow earlier declines in green coffee prices. Moreover, several countries which produce other milds have withheld substantial supplies from the market, which has also slowed the decline in green coffee prices.

Another prospective large 1978/79 coffee crop is expected to result in adequate coffee supplies for world consumption in line with prospective high retail price levels. Since coffee use has been discouraged by high retail prices around the world, green coffee prices will probably continue to decline but perhaps more slowly than in earlier months.

The U.S. average price of a 1-pound case of roasted coffee was \$3.40 in March, down from a peak of \$3.94 last June.

Although the pace had slowed in the first quarter, the decline in retail coffee prices could pick up in coming months as consumption falls off seasonally.

On the other hand, tea consumption rose sharply in 1977 to almost 1 pound per person, and use this year could match the 1977 level.

With high coffee prices stimulating higher domestic tea consumption last year, coupled with a tight world tea supply, tea prices rose significantly in calendar 1977. With wholesale prices declining this year, only small increases in retail tea prices are expected in calendar 1978. And retail prices could level off if wholesale prices drop enough. The U.S. average price for a package of 48 tea bags was \$1.24 in March, up from 96 cents in March of 1977 but down only slightly from \$1.23 per package in January this year. *Fred Gray, (202) 447-7290*

Spotlight on Retail Beef Prices

Although beef prices have been rising for only a few months, they are attracting considerable attention because of their importance in the consumer's food budget. The last few years provided consumers with record large beef supplies at relatively low prices as producers reduced the cattle herd in response to financial losses and droughts.

However, while the initial effect of a sell-off is larger beef supplies, continued herd liquidation eventually means a smaller calf crop and, consequently, less beef. In fact, the total cattle inventory was reduced from 132 million head in 1975 to just over 116 million on January 1, 1978. Beef production is now declining and beef prices are rising, bolstered by a strong consumer preference for beef.

This is putting producers back into a favorable financial situation, but consumers are feeling the pinch. However, although hamburger and other ground beef products will be in relatively short supply with prices increasing faster than for other meats, increased use of vegetable protein extenders may help alleviate the situation. Also, if the demand for beef is strong enough, higher grade beef can be ground.

In addition, beef's chief competitors will have some moderating influence on the increases in all meat prices. Current pork prices should induce an expansion in pork supplies during 1979, and the expansion already underway in broiler production is expected to continue.

Any effort to stem the rise in retail beef prices could run the risk of stimulating continued herd selloffs just at a time when cattle prices are beginning to signal producers to start rebuilding their herds. If this happened, there would be even more upward pressure on food costs.

Beef production may continue to decline for the next few years, and prices will probably be trending upward. However, right now, it looks like the rate of price increases may taper off a bit after 1978. And, when larger production begins showing up at the supermarket after a period of herd rebuilding, the pendulum will swing toward the consumer. *James Nix, (202) 447-8143*

For further information, see *Retail Meat Prices In Perspective*, ESCS-23, available by writing ESCS Pubs., Room 0054 South Bldg., USDA, Wash., D.C. 20250.



Commodities

Crop and livestock production will remain large in 1978. Plentiful supplies of feed are encouraging continued expansion in livestock and poultry feeding, but slaughter of cattle coming off pastures and ranges likely will be down. For the year, beef production may be off about 5 percent.

Unprecedented world demand is boosting U.S. soybean disappearance this season to record levels. Both crushings and exports may rise 15 percent or more from last season, although some buildup in carryover stocks is still expected.

Wet weather has continued to hamper spring fieldwork in the Corn Belt and the Delta, and planting progress through late May lagged last year. Many corn and cotton farmers are facing decisions of whether to switch to other crops, primarily soybeans.

Beef Prices Rising as Output Drops

Beef prices are on the rise after 2 years of holding relatively stable. The increase in Choice beef at retail may be nearly a fifth during 1978. Choice steer prices may increase 25 to 30 percent, with an annual average above \$50 per 100 pounds. Despite the impact of inflation on processing and marketing costs, the gross spread between farm and retail prices is expected to narrow.

Upward price movements will not end with 1978. Annual reductions in beef output are likely for the next 2 to 3 years as producers withhold heifers from slaughter to rebuild herds. Projected larger levels of pork and broiler production are not likely

to offset the price impact of growth in demand coupled with reduced supplies of beef.

Marketings of fed cattle from seven States during April were up 9 percent from a year earlier. Despite a 12-percent reduction in the number of cattle going on feed during April, the May 1 on-feed inventory was 9 percent larger.

Intended marketings for the spring quarter from 23 States were up 7 percent. However, actual marketings may increase 10 percent if feeders continue to move cattle with minimum finish. Based on the number of cattle on feed in the middle-weight groups on April 1, summer quarter fed marketings will be up slightly from a year ago. But marketings will depend in part on the number and weight of cattle placed on feed during the current quarter.

Supplies of feeder cattle on April 1 were estimated to be down 11 percent from a year ago. Most of this reduction in numbers consisted of calves, although the decline in yearling numbers outside feedlots was significant. Yearlings going on feed would add to marketings in late summer and fall.

Wheat grazing may be an unusual factor affecting the pattern of placements this spring. A feature of the 1978 wheat program announced on March 29 provides for a payment to farmers who elect to graze-out wheat acreage that otherwise would be harvested for grain. In early May, around 900,000 acres had been committed to the program. Feedlot placements in Colorado, Kansas, and Texas, which account for about a third of the grazed acreage, were down 9 percent during April. Placements in Iowa and Nebraska were boosted 12 percent from April of last year.

Feeder cattle sales at eight midwestern markets suggest larger numbers of yearlings going on feed at heavier weights through the first 3 weeks of May. A modest increase in spring quarter placements seems likely.

An increase of 3 to 5 percent in fed marketings over a year ago in the summer quarter is expected. Grass-fed steer and heifer slaughter may be only half that of a year ago.

Feedlot placements may about match year-earlier numbers this summer but are expected to trail the 1977 level this fall. The increase in fed marketings during

October-December may be limited to 2 to 4 percent. Slaughter of steers and heifers off grass may be cut 60 to 70 percent.

Beef production through mid-1978 will be reduced about 3 percent from last year. This summer and fall, production may be down 7 to 8 percent. As a result, production for all of 1978 may be off about 5 percent. Per capita beef consumption this year will be less than 120 pounds (carcass equivalent), down from a record 129 pounds per person in 1976 and 126 pounds last year.

The decline in per capita beef consumption during 1979 could exceed the combined reduction of the last 2 years. Helpers designated as replacements for the beef cow herd at the beginning of the year were at a 12-year low. The number of heifers on feed for slaughter April 1 was record large. Feeder cattle sales data suggest placements of heifers on feed continued to exceed year-earlier levels during April and May, perhaps indicating some concern about the longer term outlook. *Eldon Ball, (202) 447-8143*

Hog Producers Apparently Expanding Breeding Numbers

On March 1, hog producers in 14 States reported plans to increase farrowings this spring by 1 percent, while a 2-percent reduction was planned for the summer.

Actual spring farrowings could show a greater increase over a year ago. Hog slaughter during the second half of 1978 may be up 3 to 5 percent, and, for the year, an increase of 2 to 3 percent seems likely.

That gilts were retained in significantly larger numbers than a year ago was not evident during February. But this apparently occurred during March and April. Sows bred during these months will farrow during the June-August period. Moreover, September-November farrowings may show the greatest increase for any quarter this year, up perhaps 8 to 9 percent. These pigs will begin to come to market this winter.

If realized, pork production may increase 6 to 10 percent during the first half of 1979.

With only a 2-percent drop in production during the first quarter, retail pork prices advanced 13 percent. For the year, retail prices may average around 15 percent higher. Hog prices may average in the low-\$50 range this summer before declining seasonally in response to larger production. Prices for market hogs in the \$46- to \$48-range are expected for the fall quarter. *Eldon Ball, (202) 447-8972.*

Poultry Prices Up Despite Larger Supplies

Demand for poultry meat is expected to continue strong during the rest of 1978. As a consequence, poultry prices, which are already well above a year ago, will continue high even though broiler and turkey meat production is substantially larger.

Second half 1978 broiler output is expected to run 8 to 10 percent larger than in July-December 1977. Output gains averaged 8 percent in January-March and an estimated 6 percent in April-June. The second quarter slackening was caused by a shortage of hatching eggs that has since been resolved.

Broiler prices have been strong in 1978 largely because of reduced red meat supplies and strong consumer demand. Prices during January-March averaged nearly 42 cents a pound in nine markets despite record large broiler production. This was about 1 cent above the same months of 1977.

Second quarter prices likely will average 3 to 5 cents a pound above the 42 cents of the first quarter and a year earlier. Summer broiler prices may climb to the upper 40's as higher red meat prices, gains in consumer incomes, and seasonal increases in demand more than offset a substantial increase in broiler supplies.

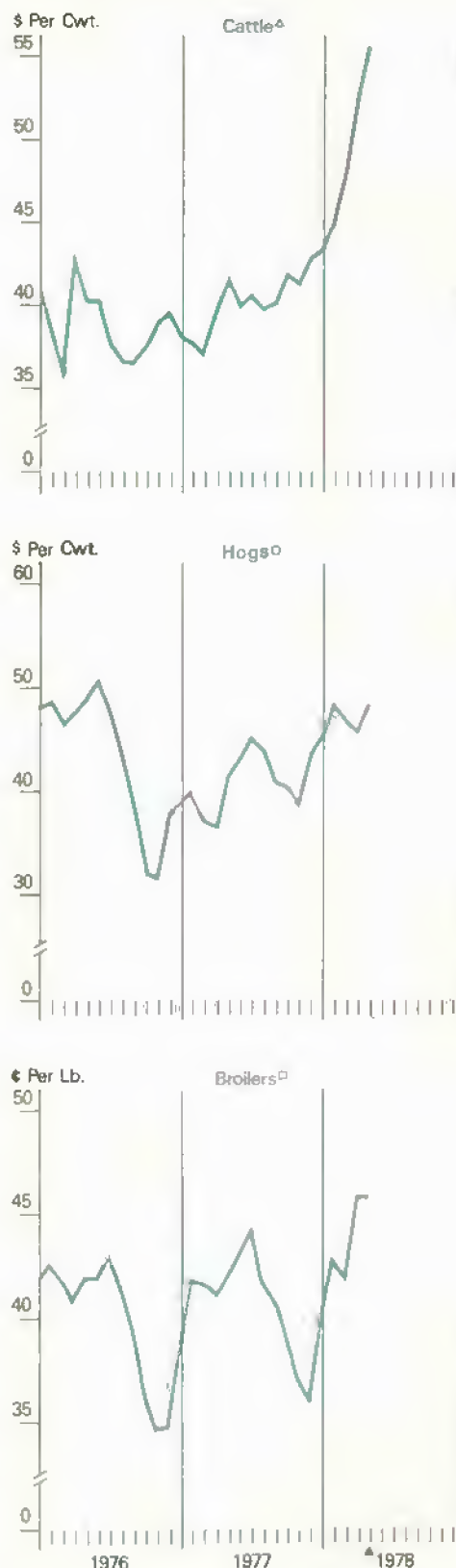
Turkey meat production during January-March was 9 percent above the record level of 1977. Turkey numbers marketed were up 3 percent, while the average marketing weight gained a little more than 5 percent. The heavier market weights this year are being caused in part by the continued shift from light breed turkeys to heavy breeds.

Second quarter production will continue around a tenth above 1977, but the margin will narrow for the second half. Poult production in recent months suggests turkey meat output in the second half of 1978 may be up only 4 to 5 percent from a year ago. Much of the gain will be from heavier marketing weights.

Turkey prices in 1978 have been much stronger than earlier expected because of the sharply higher prices of other meats. Wholesale prices for 8- to 16-pound young hen turkeys in New York during January-March averaged 60 cents, about 10 cents above the same months of 1977.

Wholesale turkey prices will remain strong and probably stay above a year earlier through most of 1978. Larger turkey output

LIVESTOCK PRICES RISE SHARPLY IN EARLY 1978



△ Choice steers, Omaha. ▲ Avg. through May 24.
○ Barrows and gilts, 7 markets. □ 9-city wholesale.

will be partially offset by reduced cold storage stocks. Also, higher prices of competing meats will help bolster turkey prices.

Egg production during January-April was 4 percent above a year ago as a result of an increase in both layer numbers and output per layer. On May 1, layer numbers were up 2 percent and the rate of lay was 1 percent larger. Egg production this spring and summer will likely average 2 to 3 percent above April-September 1977. However, by fall, output could lag year-earlier levels—perhaps by 1 to 2 percent.

Prices for grade A cartoned large eggs in New York averaged 62 cents a dozen in January-March, 13 cents below the unusually high levels of 1977. Prices declined seasonally after Easter but showed some strength in early May before slipping back to 50 cents a dozen in late May. However, cartoned egg prices for April-June likely will average slightly below the 58 cents for the second quarter of 1977.

Second half 1978 egg prices are expected to increase seasonally, and summer prices probably will average near the 61.5 cents of a year earlier. Spurred by expected reduced supplies, prices for the fourth quarter may average in the mid-60-cents-a-dozen range, compared with 59 cents for October-December 1977. *William Cathcart and Gerald Rector, (202) 447-8801*

1978 Milk Output May Hold Close to Year Ago

Farm milk prices are expected to hold well above a year earlier during the rest of 1978 due to the higher support prices. At the same time, feed prices probably will remain moderate, resulting in milk-feed price relationships which will favor heavy feeding of grain and other concentrates and increases in output per cow.

On the other hand, the high current and expected slaughter cow prices, in conjunction with improved off-farm employment opportunities, likely will mean a somewhat more pronounced decline in milk cow numbers than a year ago, although the continued large number of replacement heifers will soften the impact. In addition, manufacturing capacity in the Northeast and California (the areas with the most potential strength)

may tend to constrain milk production increases in those areas.

Milk output in late spring and early summer probably will recover somewhat from the recent weakness. Later this year, the generally favorable conditions likely will hold milk production at high levels, although output may again slip below last year's accelerating production. Total output for all of 1978 is now expected to be close to 1977's 123 billion pounds, although the range of uncertainty is relatively wide.

Milk production in March and April was just barely below a year ago, ending the record-long expansion of 29 straight months. The lingering effects of harsh winter weather in parts of the Midwest and unusually heavy rains in California probably were important factors in the weaker-than-expected output. Generally lower quality hay may also have had a significant impact.

Farmers received an average \$10.10 per 100 pounds of milk in April, up 7 percent from a year ago. Farm milk prices and wholesale dairy product prices probably will remain close to the support levels this spring and summer—if milk production recovers as expected—but will run well above a year earlier.

Commercial use of milk and dairy products in 1978 could be up as much as 2 percent from last year. Consumer income and retail price conditions point to strong cheese sales, small increases in fluid milk sales, and a possible stabilizing in butter use. During the first quarter, total commercial use was about 5 percent higher than a year ago. *James Miller, (202) 447-8915.*

Reduced Acreage Cuts 1978 Winter Wheat Crop

The 1978 winter wheat crop was forecast at 1,284 million bushels as of May 1, down 16 percent from last year and the smallest crop since 1973. Based on similar production forecasts of the past 20 years, chances are 2 out of 3 that the final outcome will not differ from the May forecast by more than 100 million bushels.

The set-aside program, low prices, drought, and wet weather were major influences that led winter wheat growers to cut plantings 14 percent to 48 million acres. These factors, and the graze-out program, indicated that harvested area would be down even more—18 percent—to about 39½ million acres. This amounts to only 82 percent of planted acreage being harvested, the lowest since 1972. Set-aside signup has

been good in the hard winter wheat belt along with participation in graze-out, particularly in the Southern Plains. May 31 completed the signup period but final set-aside acreage will be determined after farmers "certify" their acreage cut later in the year.

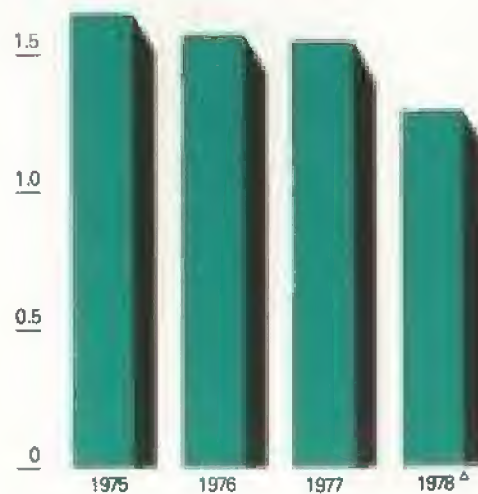
Moisture conditions during planting last fall ranged from severe drought in the Southern Plains to excessive moisture in the eastern soft wheat States. The crop came out of the winter in generally good condition except for the southern drought area and some pockets of heavy winter damage in the East. On balance, crop development this spring has been mostly fair to good.

Early indications point to a large reduction in the soft red winter wheat area where not only is acreage down, but yields appear to be adversely affected by the severe winter. The May 1 production estimate for soft red wheat is 195 million bushels, down 43 percent from 1977 and the smallest crop since 1973.

Also, drought-reduced yields and acreage cuts in the Southern Plains, along with set-aside and graze-out program participation, point to a 1978 hard red winter crop of 872 million bushels, down 12 percent from last year. On the other hand, favorable conditions will likely boost the winter wheat crop in the Pacific Northwest from last year's reduced levels. *Allen Schienbein, (202) 447-4997*

WINTER WHEAT OUTPUT EXPECTED TO DECLINE IN 1978

Bil. Bu.
2.0



Δ Indicated on May 1, 1978.

Strong World Demand Underpinning Record U.S. Soybean Crush and Exports

Unprecedented world demand is boosting U.S. soybean disappearance this season to record levels. Fueled by growing requirements for soybean oil and meal, coupled with smaller-than-expected oilseed production in some parts of the world, both soybean crushings and exports are sharing in the expansion.

At home, increasing livestock and poultry numbers along with more favorable livestock-feed price ratios are boosting domestic use of soybean meal sharply above year-earlier levels. Oil use is on the upswing, too, because of smaller imports of palm and coconut oils and increased per capita use.

Abroad, weather damage to Brazil's soybean crop has reduced the competitive position of that country in world markets, while the requirements for soybean oil and meal continue to expand. Increases in export demand for soybeans and soybean meal are being led by Japan and Western Europe. Soybean oil exports are up sharply to Peru, India, Pakistan, and the People's Republic of China.

Soybean crushings are now estimated at 925 million bushels, about 17 percent above last year. Crushings in March hit a new monthly record of 87 million bushels. So far, crushings are averaging around 78 million bushels per month, nearly 10 percent above a year ago. Although crushings may decline over the balance of the season, they are expected to continue well above the monthly average for last May-August.

Soybean exports are estimated at 650 million bushels, about 15 percent above 1976/77. Exports have been strong since early in the season, averaging nearly 50 million bushels per month, roughly a fourth above a year ago. Although this strong momentum is not expected to be sustained, exports over the rest of the year also should average well above last season.

Despite the expanded disappearance, some buildup in soybean carryover stocks by season's end is expected. Stocks on September 1 should total around 170 million bushels, compared with 103 million last September. The strong demand is exerting upward pressure on prices. Farm prices rose from \$5.17 per bushel last September to around \$6.85 in May.

Over the balance of the season, prices will be influenced largely by reports from Brazil and developing prospects for 1978 soybean production in the United States. For the season, prices are expected to average around \$6 per bushel, compared with \$6.81 last season.

Farmers in April indicated that they intended to seed about 64 million acres to soybeans this year. This could have been on the high side since these plans did not fully reflect changes in the 1978 feed grain, cotton, and wheat programs which were announced during the survey period, as was the higher 1978 soybean loan rate of \$4.50 per bushel.

However, Mother Nature may be holding the trump card for soybean acreage this year. Wet weather in the Corn Belt and in the Delta has delayed or damaged corn and cotton plantings. Farmers now are faced with decisions of whether to switch to other crops or choose other alternatives, such as greater participation in the diversion program. *Stanley Gazelle, (202) 447-8444*

Smaller Fruit Supplies Boost Prices

Fruit prices are expected to remain higher than a year ago during the remainder of the season, reflecting generally smaller supplies of both fresh and processed fruit.

The citrus crop estimate of about 13 million metric tons on May 1 was up slightly from a month earlier but remained 7 percent below the previous season's total. The orange crop was down 9 percent but the juice yield is up to 1.24 gallons per box, compared with 1.07 gallons last year. The grapefruit crop was down 3 percent. The lemon crop is now estimated to be larger than in 1976/77.

Cold storage stocks of fresh apples and pears are down substantially from last year. While inventories of major canned fruits are adequate, frozen concentrated orange juice stocks are sharply lower.

The first forecast of peach production for 1978 in the nine Southern States is placed at 533 million pounds. This is 3 percent larger than last season but 9 percent less than in 1976.

Industry sources in California, the major supplier of processed fruits, expect supplies of major fruits for processing to be in

shorter supply this year than last, and growers are expected to ask for higher contract prices. Smaller supplies of most deciduous fruits are expected to result from the mild winter, with its record low hours of required chilling time, and from persistent rain throughout the bloom period which seriously curtailed pollination.

This combination of factors is expected to crimp production of cling peaches, Bartlett pears, apricots, and sweet cherries. Cling peaches will be particularly affected because, in addition to an expected 10-percent reduction in yield per acre, total acreage has been reduced about a tenth from last season. Thus, early indications are for higher raw product prices this summer, and higher prices for processed fruits this autumn.

A notable exception is strawberries. A large crop in California and heavy supplies of frozen strawberries should keep prices moderate throughout the season. *Jules Powell and Ben Huang, (202) 447-7133*

Fresh Vegetable Prices Coming Down After Sharp Jump

By late May, spring vegetable supplies from Florida were increasing, highlighted by heavier receipts of tomatoes and sweet corn. In addition, the shortage of lettuce which occurred the last half of April and the first 10 days of May was reduced considerably as growers began harvesting late March plantings in the Salinas Valley of California.

Rains prevented lettuce planting in the Valley in late February and early March. As a result, there was a gap in supplies and grower prices—usually ranging from \$2.50 to \$5.00 per 24-head crate—which jumped to \$16.00. Late May quotes of \$6.00 show that a more normal supply pattern is now emerging.

Grower prices for fresh vegetables are expected to decline sharply after mid-May, and seasonal lows, not greatly different from last year, are expected this summer.

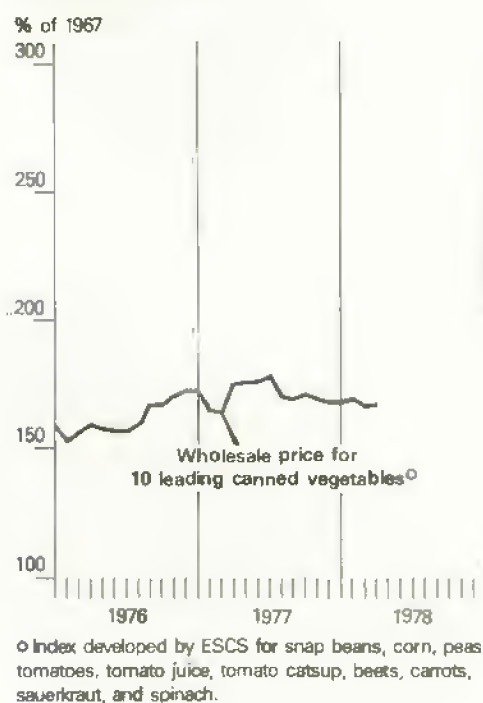
Wet weather in many processed vegetable growing districts has hampered normal planting progress this season. Further delays

could cause unplanned acreage cuts for corn, peas, and green beans. As of late May, it appeared that California tomato growers would be planting something close to 240,000 acres. (Last year 279,000 acres were planted.) This means that the current oversupply of tomato products will likely be corrected after the 1978 packs are made. Consequently, wholesale prices for tomato products can be expected to advance moderately this fall with tighter but probably adequate supplies.

Spring potato production is estimated 13 percent smaller than a year earlier and a fifth less than 2 years earlier. Although the acreage to be harvested is only slightly smaller this year, yields are disappointing in most of the important producing areas. In Kern County, California, the reported average yield is 325 cwt. per acre.

With storage stocks of old potatoes running low in seasonal fashion, and with delayed and reduced supplies from the important spring growing districts, a moderate to substantial price rise is expected in the late spring. Prices may be expected to hold seasonally high, and above last year, through the summer as well. Summer acreage is likely to be 6 percent smaller this year. By September, the seasonal pressure of the large fall crop will be responsible for sharply lower prices. *Charles Porter and Joseph Podany, (202) 447-8666*

FRESH VEGETABLE PRICES JUMP IN APRIL



Recent Publications

Below is a list of selected USDA publications, listed by subject area. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. Be sure when ordering to list the publication number and provide your zipcode.

ESCS Reports:

The publication order form, provided on the inside back cover, shows the publication numbers for ESCS reports listed below. Simply circle those you would like to receive, and mail to ESCS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250. The U.S. Senate Committee prints may be obtained by writing the ESCS publications unit.

FAS Reports:

FAS Information, Room 5918 South Building, U.S. Department of Agriculture, Washington, D.C. 20250

State Reports:

Publications issued by a State Crop and Livestock Reporting Service may be obtained by writing the address stated. Copies are not available from the U.S. Department of Agriculture.

New report listings, by subject matter:

Dairy

U.S. Dairy Trade Increases In 1977. FD 2-78 (FAS).

Grains

World Grain Situation Outlook For 1978/79. FG-6-78 (FAS).

Cotton

U.S. Cotton Exports In March Highest In Four Years. FC 9-78 (FAS).

Fruit

Deciduous Fruit, World Production, and Trade Statistics. FDAP 2-78 (FAS).

Oilseeds and Products

World Soybean Situation. FOP 4-78 (FAS).

Livestock

Second Quarterly Outlook For World Meat Production and Trade In 1978. FLM 2-78 (FAS).

Miscellaneous

Asia Agricultural Situation Review of 1977 And Outlook For 1978. Supplement 2 to WAS-15 (ESCS).

Eastern Europe Agricultural Situation Review Of 1977 and Outlook For 1978. Supplement 3 to WAS-15 (ESCS).

A Data-Pooling Approach To Estimate Employment: Multipliers For Small Economies. TB-1583 (ESCS).

Government's Role In Pricing Fluid Milk In The United States. AER-397 (ESCS).

Evaluation of Pesticide Supplies and Demand For 1978. AER-399 (ESCS).

Food Stamp Participation of Hired Farmworker Families. AER-403 (ESCS).

Regional Development and Plan Evaluation: The Use of Input-Output Analysis. AH-530 (ESCS).

Estimating U.S. Livestock and Poultry Manure and Nutrient Production. ESCS-12 (ESCS).

Farmer Credit Survey, March 1978. ESCS-17 (ESCS).

U.S. Foreign Agricultural Trade Statistical Report, Fiscal Year 1977. ESCS-112 (ESCS).

Adjustment In Agriculture and The Trade Act of 1974. FAER-147 (ESCS).

An Analysis of the UNCTAD Integrated Programme For Commodities. FAER-148 (ESCS).

Costs Of Producing Selected Crops In The United States - 1976, 1977, and Projections For 1978, U.S. Senate Committee Print (ESCS).

Costs Of Producing Milk In The United States - Final 1976, Estimated 1977, And Projections For 1978, U.S. Senate Committee Print (ESCS).

Costs Of Producing Hogs In The United States - 1976, U.S. Senate Committee Print (ESCS).

Free Copies of Agricultural Outlook

Subscribers can distribute *Agricultural Outlook* at meetings, conferences, and to customers, suppliers, and key staff members.

Let me know how many you would like and I'll have them sent right out.

Caution: We may not have a *specific* issue in quantity. If not, we will add your request to the very *next* print order.

Geraldine Schunbacher, *Agricultural Outlook*
482 GHJ Building, 500 12th Street, S.W.
Washington, D.C. 20250

State Reports

Alabama Farm Income, By Counties—1976-77 (1978). Alabama Crop & Livestock Reporting Service, P.O. Box 1071, Montgomery, Alabama 36102.

Massachusetts' Agricultural Statistics, 1977 (1978). Massachusetts Crop & Livestock Reporting Service, Rm. 522 Federal Bldg., 55 Pleasant Street, Concord, New Hampshire 03301.

Agricultural Census Data For North Dakota 1974 (1978): North Dakota Crop & Livestock Reporting Service, P.O. Box 3166, Fargo, North Dakota 58102.

Virginia Apple & Peach Tree Survey, 1977 (1978). Virginia Cooperative Crop Reporting Service, P.O. Box 1659, Richmond, Virginia 23213.

Kansas Custom Rates, 1977 (1978). Kansas Crop & Livestock Reporting Service, New Federal Bldg., Rm. 290, S.E. Quincy, Topeka, Kansas 66683.

Kansas Livestock Statistics 1976-77 (1978). Kansas Crop & Livestock Reporting Service, New Federal Bldg., Rm. 290, S.E., Quincy, Topeka, Kansas 66683.

June Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Poultry and Egg	June 5
Ag Supply and Demand	June 12
Livestock and Meat	June 14
Tobacco	June 21
Ag Supply and Demand	June 23

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.

USDA's Economics, Statistics, and Cooperatives Service issues a variety of periodic reports that analyze the economic situation of U.S. agriculture. These reports are free on request unless otherwise noted, and mailing lists are maintained.

If you are interested in receiving any of these reports, you may first want to write for a sample copy. If you find the report contains information you need, you can then ask to be put on the mailing list.

Address all inquiries to Publications Unit, ESCS-Information, Room 0054, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

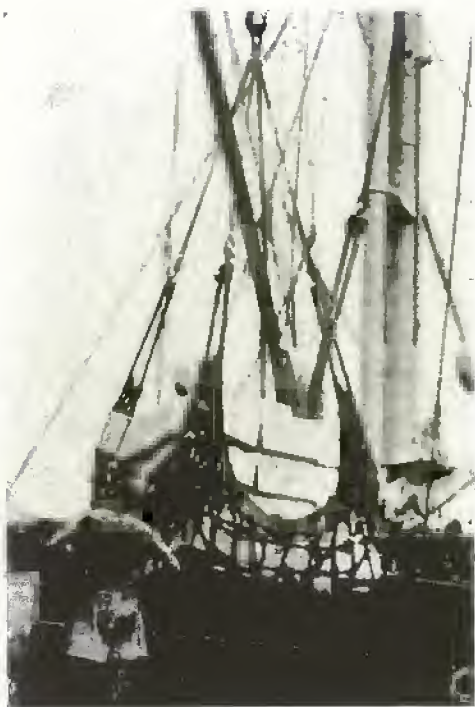
Situation and outlook reports issued by ESCS are listed below together with brief descriptions of their contents. *Cotton and Wool, Dairy, Fats and Oils, Feed, Fruit, Livestock and Meat, Poultry and Egg, Rice, Sugar and Sweetener, Tobacco, Vegetable, and Wheat*. These commodity reports analyze supply and demand, prices, and outlook for major farm commodities. They include tables and charts presenting current data on production, market movement, stocks, consumption, prices, and foreign trade. Relevant special studies frequently are included. Individual reports generally are issued 4 to 6 times a years.

Fertilizer Situation, published at the end of each year. Examines potential fertilizer demand and estimated capacity to produce basic fertilizer materials in the year ahead, analyzes U.S. fertilizer use in the year just concluding Reviews foreign trade in fertilizer and basic fertilizer materials and discusses economic aspects of foreign trade.

Features historical economic and fertilizer use statistics. Special reports about production, consumption, and distribution of fertilizer prepared for each issue.

Supply-Demand Estimates, a tabular series, updates USDA forecasts of the supply-demand balance for major farm commodities. Assessments by an interagency board of USDA experts are released, with a brief commentary, after 3 p.m. on the day following the issuance of major crop production grain stocks, or planting intentions reports by the Economics, Statistics, and Cooperatives Service.

Supply-demand reports present statistics, by crop, covering the balance of supply (production, stocks, imports) for the current marketing season. May indicate the supply-demand balance for one season ahead.



World Agriculture and Trade

A broad-based strengthening in demand for U.S. farm products and recent price advances may boost 1977/78¹ U.S. agricultural exports \$1 to \$2 billion over last year's record \$24 billion. This represents an increase from our earlier assessment of \$22 to \$24 billion.

The upward revision reflects recent stronger prices, particularly for oilseeds and grains, as well as some increase in the volume of total shipments. Export prices are now expected to average only about 5 percent below those of fiscal 1977, and volume is likely to expand more than a tenth.

If farm product imports increase only marginally as anticipated, the U.S. agricultural trade surplus may recover to around \$12 billion this fiscal year. The surplus dropped from \$12.2 billion in 1975/76 to \$10.6 billion last year.

Several developments are contributing to the improving prospects for U.S. farm product exports. These include drought damage to the Brazilian soybean crop; larger than expected demand for U.S. cotton; drought's effect on South American grain crops, boosting U.S. wheat exports to that region; strong demand for feedstuffs in

Western Europe and Japan because of prospering livestock industries; and re-entry into the U.S. market by the People's Republic of China (PRC). These, plus farmer placements of excess grain under loan or in the farmer-owned reserve, have combined to strengthen U.S. prices for major crops.

Most Crops To Share in Export Gains

The 1978 Brazilian soybean crop may total more than 2 million tons below last season's 12.2 million. Thus, foreign demand for U.S. soybeans is very strong. U.S. exports of soybeans are expected to expand about 17 percent in volume in fiscal 1978. Substantial increases are expected in shipments to Europe, Japan, East Asia, and Latin America. Oilmeal and vegetable oil exports are expected to rise about a fifth in volume.

U.S. cotton exports are expected to increase 27 percent in volume in fiscal 1978. The 1977/78 world cotton harvest fell short of earlier expectations, and, with the large 1977 U.S. crop, U.S. cotton is competitively priced on the world market. Exports are expanding to South Korea, Taiwan, Canada, Spain, and Portugal. Shipments to Japan may also rise, and the PRC is importing U.S. cotton again this year.

U.S. wheat export volume is running 27 percent above fiscal 1977 levels. Several regions had production shortfalls in 1977/78, and world wheat production fell about 8 percent. Much of the increase in U.S. wheat exports reflects expanded shipments to Latin America and the USSR and the resumption of sales to the PRC. Additionally, larger shipments are being made to North Africa, Western Europe, and Eastern Europe.

U.S. feed grain exports during the first 6 months of fiscal 1978 were 10 percent below the year-earlier volume. Expanded shipments to the USSR and many other markets failed to offset the 6.4-million-ton drop-off to the European Community (EC) which had bought heavily during October 1976-March 1977 because of drought the preceding summer. However, feed grain export volume, boosted by continued large shipments to the USSR, may still increase slightly for the year, although value is expected to be down about 3 percent.

U.S. tobacco export volume is likely to drop substantially in fiscal 1978. Shipments to Western Europe could fall almost a tenth because of higher taxes, antismoking campaigns, and increased competition from other exporters. Shipments to Japan may

dip marginally. Imports by the developing countries have expanded rapidly in recent years, but fiscal 1978 shipments may decline.

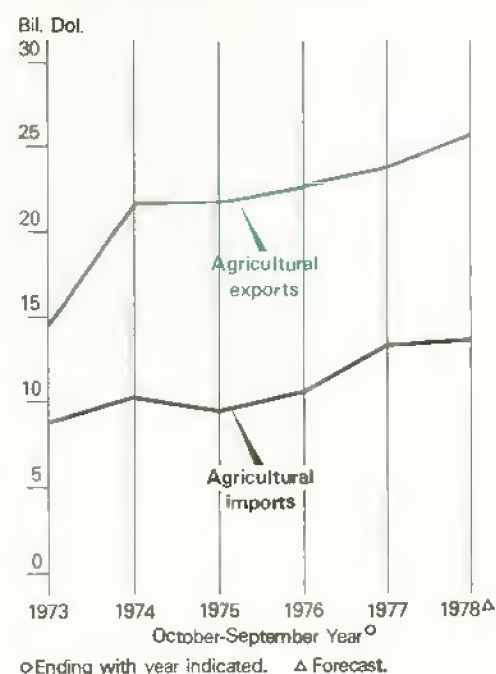
Exports To Western Europe To Dip; Increases Seen for Other Areas

The value of U.S. agricultural exports to Western Europe may decline a tenth in fiscal 1978. The reduction will be due, in part, to lower average prices for grains, oilseeds, and cotton. In addition to the declines for feed grains and tobacco, shipments of livestock fodders, potatoes, and animal products will be lower this year. However, larger volumes are being recorded for soybeans, oilmeal, rice, and cotton.

U.S. agricultural exports to the USSR will be sharply higher this year. The 1977 Soviet grain crop of 196 million tons was 28 percent below the previous year's harvest. Also, the Soviet livestock sector is being expanded. On January 1, 1978, grain-consuming animals numbered about 3 percent above a year earlier, and the growth appears to be continuing this spring.

U.S. wheat shipments to the USSR are expected to reach almost 5 million tons in fiscal 1978, up from 3 million in fiscal 1977. Feed grain shipments are estimated at 10 million tons, up from 3 million. Soybean exports are likely to surpass fiscal 1977's 825,000 tons.

U.S. FARM EXPORTS MAY RISE AGAIN IN FISCAL 1978; TRADE BALANCE TO WIDEN



¹ October 1, 1977, to September 30, 1978.

U.S. agricultural exports to Japan may dip slightly in value in fiscal 1978 because of lower prices for the major commodities traded. Expansion in the Japanese livestock industry and lower formula feed prices may cause U.S. soybean exports to Japan to rise almost a tenth in volume. Feed grain shipments may also increase.

Following 2 years of minimal shipments, U.S. agricultural exports to the PRC are expected to exceed \$300 million in fiscal 1978. Cotton shipments of 425,000 bales are projected. The PRC purchased 1 million tons of U.S. wheat during April, and small sales of soybeans and soybean oil have been made. The PRC's poor 1977 harvest has necessitated large agricultural imports, but the U.S. share indicates that the PRC still considers the United States a residual supplier.

Fiscal 1978 U.S. agricultural exports to the developing countries could rise almost a fifth in value from fiscal 1977's \$7.4 billion. The sharpest increases are anticipated for shipments to East and Southeast Asia, North Africa, and Latin America. Volume and value increases are expected for shipments of wheat, vegetable oils, soybeans, cotton, animal products, and rice.

Imports May Rise Marginally

Fiscal 1978 U.S. farm product imports are forecast at \$13½ billion, marginally above fiscal 1977. Imports of meat, tobacco, wine, fruits, and vegetables are expected to expand in volume and value, but imports of sugar and vegetable oils are declining. Lower import volumes of cocoa will be offset by higher prices. Imports of green coffee are expected to drop 5 percent in volume, and prices are falling.

VOLUME OF U.S. AGRICULTURAL EXPORTS

Commodity	Fiscal year		
	1976	1977	1978 ¹
	Million metric tons		
Wheat and flour	30.61	24.72	31.3
Feed grains	49.86	50.60	51.2
Rice	1.95	2.23	2.2
Soybeans	15.05	15.16	17.7
Vegetable oils . . . . .	.89	1.14	1.4
Oilcake and meal	4.87	4.34	5.2
Cotton, including linters . . . . .	.77	1.05	1.3
Tobacco . . . . .	.27	.30	.3
Fresh fruit	1.37	1.35	1.4
Animal fats	1.03	1.38	1.3
Total ²	106.67	102.25	113.3

¹ Forecast. ² Totals may not add due to rounding.

World Economic Picture Shows Some Improvement

Economic growth in our developed country markets is expected to improve slightly in 1978, although growth rates will generally remain below trend. Only the U.S. economy is expanding at close to capacity and is registering significant declines in unemployment. High unemployment and inflation rates continue to thwart progress in many other developed countries, but there may be some slight easing in inflation this year.

Growth rates will also be up in the non-oil producing developing nations, but their combined current account deficits could reach \$30 billion, compared with \$22 billion in 1977. Economic expansion will slow in the nations of OPEC (Organization of Petroleum Exporting Countries) as the rate of increase in oil production declines. The current account surplus of OPEC may drop by a third to \$23 billion.

World trade volume is projected to increase by about 5 percent in 1978, the same percentage increase as last year. *Sally Breedlove Byrne, (202) 447-8260*

VALUE OF U.S. AGRICULTURAL EXPORTS¹

Region	Fiscal year		
	1976	1977	1978 ²
	\$ Bil.		
Western Europe	7.21	8.61	8.0
European Community	5.69	6.83	6.2
Other Western Europe	1.52	1.78	1.8
Eastern Europe	1.29	.98	1.1
USSR	2.05	1.09	1.8
Asia	7.43	8.13	9.0
West Asia . . . . .	.82	1.10	1.3
South Asia	1.14	.68	.6
Southeast and East Asia (excl. Japan and PRC)	2.07	2.47	3.1
Japan	3.41	3.88	3.7
PRC	(³)	(³)	.2
Canada	1.43	1.59	1.4
North Africa . . . . .	.70	.78	1.0
Other Africa . . . . .	.44	.57	.6
Latin America	2.09	2.13	2.5
Oceania . . . . .	.12	.15	.1
Total ⁴	22.76	24.01	25.5

¹ Adjusted for transshipments through Canada and Western Europe. ² Forecast. ³ Less than \$50 million. ⁴ Totals may not add due to rounding.

Japan To Buy More Beef

Japan will buy an additional 10,000 metric tons of Choice and Prime beef this year. Beef trade teams from the United States and Japan agreed on measures to increase the Japanese imports at meetings in Tokyo in March and in the United States in April. The additional 10,000 tons will increase Japan's total imports of high-quality beef to at least 16,800 tons. USDA officials said the United States, with its high-quality grain-fed beef, should be in an excellent position to capture a fair share of this expanded Japanese market.

Foreign Agriculture Circulars

USDA's Foreign Agricultural Service issues a number of Foreign Agriculture Circulars at irregular intervals during the year on various commodities and export services for the food and agricultural trade. These circulars are distributed without cost to U.S. residents. If you wish to be placed on the mailing list for any of these reports, you should write to: Foreign Agricultural Service, Information Division, Information Services Staff, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

Titles

Oilseeds and Products
Grains other than rice
Livestock and Meat
Cotton
Coffee
Dried Pulses
Processed Fruits
Fresh and Processed Citrus Fruits
Cocoa
Dairy
Fresh Deciduous Fruits and Grapes
Dried Fruits
Hops
Tree Nuts
Poultry and Eggs
Rice
Seeds, Field, and Vegetable
Sugar
Tea and Spices
Tobacco
Vegetable Fibers
Wool
Honey
Fresh and Processed Vegetables
Table Olives
Strawberries and Other Berries
Tropical Fruits



Transportation

Substantial shortages of railcars and spot shortages of other equipment, together with generally higher transportation rates, are expected to prevail during 1978. However, despite these railcar shortages, the grain system appears capable of meeting short-term export demand, provided that shippers and grain merchants are willing to bear modest increases in transportation costs. At the same time, any major interruption in the distribution network, such as a strike at the Pacific or Great Lakes ports or another series of export elevator explosions, would markedly alter the picture.

This year, distributors are faced with a greater challenge in getting the 1977 grain harvest to market because more grain is stored in onfarm facilities and usually requires longer distance transportation than grain stored close to the markets. Of total stocks on January 1, 1978, which were more than 10 billion bushels, 6.2 billion bushels were in onfarm storage, compared with 5.1 billion bushels in 1977.

Exports Expected To Be Larger

Total agricultural exports for 1977/78 (Sept.-Oct.) are expected to be a record high, as total grain and soybean exports are likely to exceed 100 million metric tons, of which more than half will be feed grains.

In recent years, export facilities have been able to handle 384 million bushels of grain per month, and two additional grain elevators on the gulf, which are scheduled for completion in July 1978, should in-

crease the export capacity. However, the Pacific ports—far from feed grain and soybean producing areas—are constrained by the shortage of railcars. Railcar supply and the short-term availability of ocean vessels are now the limiting factors in grain export movements.

Railcar Loadings Still Lag

Total grain loadings by rail so far in 1978 lag 1977 levels by about 3 percent, but are expected to increase somewhat in coming months. Although railcar shortages continue, loadings of grain remained above 23,700 cars per week during April, about 7 percent above a year earlier. Because the number of jumbo hopper cars has continued to increase, and the number of narrow door boxcars has continued to decline, average car size has increased and the total quantity of grain shipped by rail this year will likely exceed 1977 levels.

Hotline Desk Set Up To Help Agricultural Shippers

A "hot-line" desk has been set up at USDA so shippers, trade associations, and grain elevator operators can alert USDA to serious railcar shortages. The number is (202) 447-6794.

Several factors have contributed to the shortages, including railcars stranded by severe winter weather, the 9½ month-old Pullman strike, and the increase in world demand for U.S. agriculture exports.

RAIL CARS ON LINE, SELECTED TYPES

Date	40-ft. narrow door boxcars	Covered hopper cars
	Number of cars	
Jan. 1, 1977 ..	110,012	163,151
Aug. 1, 1977 ..	95,973	165,375
May 1, 1978 ..	81,379	167,236

GRAIN EXPORTS BY PORT AREA

Port Area	Monthly level of exports achieved ¹	Exports in April 1978
	Mil. bu.	
Great Lakes ...	62.0	36.9
Atlantic	58.0	48.3
Gulf	220.0	229.4
Pacific	44.0	48.9
Total	384.0	363.5

¹ Monthly total achieved for 3 or more months from January 1973 to March 1978.

Freight Car Situation Bleak

By early May, the daily average of grain car shortages stood at around 6,400 boxcars and 32,000 covered hopper cars. These shortages have been seriously affecting grain and cotton shippers, and no relief is in sight.

The outlook for 40-foot narrow door boxcars (cars especially useful for cotton and grain shipments) is not good. The supply of 40-foot boxcars decreased 26 percent between January 1977 and May 1978, and no new cars of this type are on order.

The long-term outlook for covered hopper cars is more optimistic. A substantial number of these cars have been added to the fleet, and more than 2,000 cars were ordered in March 1978. Private shippers, who now own nearly a third of the covered hopper cars, can also be expected to add to their fleets. At the same time, more commodities other than grain appear to be shipped increasingly in covered hopper cars. However, any optimism as to the adequacy of this system must remain guarded.

Barge Shipments Continue To Rise

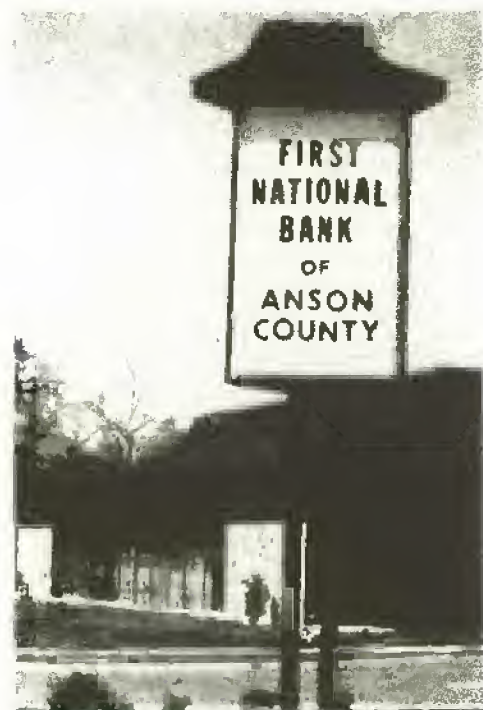
Barge shipments of grain totaled almost 137 million bushels in April, 13 percent above the March total. By the end of April, shipments averaged more than 36 million bushels per week. In response to record export demand, barge shipments of grain are expected to continue at high levels or even increase until bad weather again limits navigation. High levels of shipments, accompanied by relatively high barge rates, are expected to continue throughout the season.

Rail and Ocean Rates To Increase

General rail rate increases, which will boost rates by 4 percent for traffic moving within and between eastern and western territories, and by 2 percent for traffic moving to, from, and within the southern territory, will probably go into effect on June 8, 1978. Therefore, rail rates for agricultural products, which have remained nearly stable since December 1977, can be expected to rise.

In response to increased export demand, ocean freight rates for grain have continued to inch upward. Many merchant vessels are not now in service (approximately 8 percent of the world merchant tonnage) indicating that there is large available shipping capacity. This surplus situation should dampen upward trends in rates. More than 622 million long tons of cargo capacity are now available for international commerce.

T. Q. Hutchinson, (202) 447-6363



Inputs

During the first quarter of 1978, loans at FLB's and PCA's increased at a slower rate than during the same period in 1977, as new lending volume slackened and repayments increased. Availability of CCC price support loans will probably continue to ease the demand for loans from other sources.

Interest rates on farm real estate loans edged lower during most of 1977 and early 1978, while rates on nonreal estate loans began to move up at the end of last year. Rises in both real estate and nonreal estate rates are expected this year.

Farm Debt Rises a Record \$17 Billion in 1977

Total farm debt on January 1 was estimated at \$120 billion, representing a record increase of \$17 billion, or 17 percent from the previous year. Loans related to Federal farm price support programs showed the fastest growth rate.

Outstanding real estate debt rose 13 percent during 1977, compared with 11 percent in 1976. The Federal Land Banks (FLB's), the most important institutional real estate lender, increased loans outstanding by 16 percent in 1977, the same as in the previous year. Among FLB borrowers, refinancing of short-term loans became a more important

loan purpose—an indication that some borrowers either wanted or were required to stretch out repayment terms.

Real estate debt of life insurance companies and banks exhibited a much faster rate of increase than the previous year. An increased number of bank borrowers used real estate as security for their operating loans. The continuing increase in farmland values provided the equity base for this type of financing.

Nonreal estate debt rose dramatically in 1977, the result of the extraordinarily large expansion in Farmers Home Administration (FmHA) emergency loans and CCC price support loans. Other institutional lenders increased their nonreal estate debt at a slower rate than the previous year.

The smaller gains in farm income during 1976 and 1977 reduced the growth rate of deposits at commercial banks below the rate of loan expansion. Consequently, loan-deposit ratios began to rise rapidly in the spring of 1976 and reached a peak last fall. Since then, rural banking resources have improved, reflecting the growth in CCC price

support loans and the distribution of wheat deficiency payments.

Farm loan repayment rates slowed significantly in several areas during 1977—in the Southeast probably as a reflection of the severe drought, and in both the Corn Belt and the South as a result of the drop in prices received for feed grains, soybeans, and cotton. CCC loan activity and deficiency payments for wheat have improved the repayment situation.

In March 1978, USDA surveyed banks and production credit associations (PCA's) in 12 States particularly affected with reduced income and cash flow problems. The survey concluded that no economic shortage of loan funds to the farm sector was evident. However, about 3 to 4 percent of last year's borrowers of nonreal estate loans from commercial banks and PCA's—about twice the normal rate—will not qualify for loans this year. Many of these financially pressed operators, however, probably are obtaining loans from the FmHA and the Small Business Administration. *Philip Allen, (202) 447-7383*

FARM DEBT OUTSTANDING

	January ¹			Change ²	
	1976	1977	1978 ³	1976 to 77	1977 to 78
	Bil. \$			Pct.	
Real estate debt:					
Federal Land Banks	16.0	18.5	21.5	16	16
Life insurance companies	6.7	7.4	8.7	10	18
All operating banks	6.3	6.8	7.8	8	15
Farmers Home Administration ⁴	3.4	3.7	4.0	9	8
Total institutional lenders	32.3	36.3	41.9	12	15
Individuals and others ⁵	18.7	20.3	22.3	8	10
Total	51.1	56.6	64.2	11	13
Nonreal estate debt:					
All operating banks	20.2	23.3	25.7	15	10
Production Credit Association	10.8	12.2	13.5	13	11
Federal Intermediate Credit Banks ⁶ . . . . .	.4	.4	.4	5	0
Farmers Home Administration	1.8	1.9	3.1	6	63
Total institutional lenders	33.1	37.8	42.7	13	13
Individuals and others ⁷	6.4	7.3	8.3	15	13
Total (excluding CCC)	39.4	45.1	51.0	14	13
Commodity Credit Corporation loans . . . . .	.4	1.0	4.5	178	350
Total farm debt	90.8	102.7	119.7	12	17

¹ Total may not add due to rounding. ² Calculated from unrounded data. ³ Preliminary. ⁴ Includes direct and insured farm ownership, farm housing, soil and water related loans secured by farm real estate. ⁵ Includes seller and other individual financing of farm real estate sales and unclassified credit sources. ⁶ Loans to and discounts for other financial institutions. ⁷ Includes merchants and dealers, individuals, and all other unclassified credit sources.



Policy

On May 2, the Senate approved the House-Senate conference report on the Emergency Agricultural Act of 1978. The House added its endorsement by a 212 to 182 vote May 4, sending the bill, H.R. 6782, to the White House where President Carter signed it May 15.

The new Act establishes a floor of 48 cents a pound for Commodity Credit Corporation (CCC) cotton loans and increases the CCC borrowing authority from \$14.5 to \$25 billion. It also gives the Secretary of Agriculture discretionary authority to raise target prices for wheat, feed grains, and upland cotton whenever a set-aside is in effect for one or more of these crops.

TARGET PRICES AND LOAN LEVELS, 1977 AND 1978 CROPS

	1977	1978
Target prices:		
Corn (\$ per bu.)	2.00	2.10
Sorghum (\$ per bu.)	2.28	¹ 2.28
Barley (\$ per bu.)	2.15	¹ 2.25
Wheat (\$ per bu.)	2.90	3.40
Cotton (cts. per lb.)	47.8	52.0
Rice (\$ per cwt.)	8.25	¹ 8.53
Loan levels:		
Corn (\$ per bu.)	2.00	2.00
Sorghum (\$ per bu.)	1.90	1.90
Barley (\$ per bu.)	1.63	1.63
Oats (\$ per bu.)	1.03	1.03
Rye (\$ per bu.)	1.70	1.70
Wheat (\$ per bu.)	2.25	¹ 2.25
Cotton (cts. per lb.)	44.6	48.0
Rice (\$ per cwt.)	6.19	¹ 6.40
Soybeans (\$ per bu.)	3.50	4.50

¹ Preliminary.

Following the President's approval of the emergency farm legislation, the Administration raised the 1978 target price for wheat from \$3.05 (for a crop below 1.8 billion bushels) to \$3.40 per bushel and, as specified by the Act, upped the cotton loan from 44 cents to 48 cents a pound. The higher target price should encourage more wheat producers to participate in the 1978 program and could increase Government costs in the form of deficiency payments for the 1978 crop.

If market prices do not average above \$3.00 per bushel in the first 5 months of the marketing year, the additional cost will be 40 cents per bushel more than what would have been received at the \$3.00 target price and could mean as much as \$600 million in additional government costs. The additional cost would be less in the event that prices farmers receive for wheat during the first 5 months average above \$3.00 per bushel. No deficiency payments would be made if prices averaged above \$3.40.

Raising the cotton loan level 4 cents a pound could add an estimated \$46 million to Government outlays for loans, which have to be repaid, for the 1978 cotton crop. Changes in the procedure for determining the cotton loan could increase Government outlays a total of \$5 million over the 4-year life of the new Act.

Sign-up Period Extended

The sign-up period for all 1978 crop programs was extended from May 15 to May 31 to allow producers more time to consider the new target and loan rates. As of May 18, over 1.1 million—or 49 percent—of nearly 2.3 million eligible farms had enrolled in the 1978 programs. These farms contain over 70 percent of the nation's total eligible normal crop acreage, that acreage planted for harvest in 1977 to specified crops normally produced on farms.

Participating farms plan to set aside 15.8 million acres of cropland, including 9.4 million acres of wheat and 6.4 million acres of feed grains. By May 18, registration for the feed grain diversion programs indicated that an additional 4.9 million acres of feed grains would be diverted, for a combined commitment of about 11.3 million acres in

feed grain set-aside and diversion. USDA projections accompanying the Administration's March 29 announcement of the diversion programs placed the expected feed grain set-aside and diversion at 10 million acres.

Cotton diversion was projected by USDA at 500,000 to 1 million acres when the program was announced on March 29. Producers had committed 486,000 acres to diversion as of May 18. The special grazing and hay program for wheat acreage was expected to reduce 1978 wheat production by 1 to 1.5 million acres. Wheat grower participation as of May 4 registered 1.1 million acres.

Grain Reserve Growing

Last August, the Administration set a goal of at least 300 million bushels for the farmer-held wheat reserve. Subsequently, this target was refined to 330 million bushels, to be accomplished by May 31. On March 29, this ceiling was removed. As of May 19, wheat stocks in the reserve totaled 334 million bushels, surpassing the previous 330-million-bushel goal.

The Administration also announced last August plans for including 17 to 19 million metric tons of feed grains in the producer-held reserve. This figure was later sharpened to a target of 670 million bushels (corn equivalent) to be attained by September 30, 1978, the end of the current marketing year for corn and sorghum. As with the wheat goal, this ceiling was lifted in the program initiatives of late March.

April 30 was the final date for entering 1976-crop corn and sorghum into the producer-held reserve, and May 1 marked its opening to these 1977-crop grains. Producers must have a CCC loan on their grain to place it in the reserve, and May 31 was the final date for obtaining loans on 1977-crop corn and sorghum. As of May 19, the reserve contained over 105 million bushels of feed grains consisting of 51 million bushels of corn, 26 million bushels of oats, 22 million bushels of barley, and 6 million bushels of sorghum.

As of May 17 the CCC had outstanding loans on more than a billion bushels of 1977-crop feed grains including 815 million bushels of corn, 139 of sorghum, 45 of barley, and 43 of oats. These quantities do not include grain in the producer-held reserve, and reveal a great potential for adding to the reserve. Producers' price expectations will influence their decisions to use the reserve and wait for higher prices, or to sell at current market prices which have been strengthening. Cecil Davison, (202) 447-8840

How's your Outlook

If your outlook has been dimmed this year by lack of up-to-the-minute information on commodities, international trade, and economic events, then you had better mark your calendar for November 13-16. Plan on attending the 1979 FOOD AND AGRICULTURAL OUTLOOK CONFERENCE at the U.S. Department of Agriculture in Washington, D.C. The Conference is open to the public and there is no charge to attend.

The Conference brings together economists of the land grant colleges and universities in the 50 States with those of USDA and other Government agencies. Increasingly, the Conference has been attracting farm, agribusiness, financial, and consumer interests, too.

Come and be a part of this year's proceedings and get a preview of 1979 agriculture at home and abroad. Find out what top Government officials and leading industry advisors have to say about next year's agriculture situation.

You'll benefit from the latest thinking in sessions on the U.S. agricultural and general economies, weather, retail food supplies and prices, the farm policy, world trade, farm inputs, food marketing and distribution, and farm commodities. There will also be sessions on how outlook information is derived, and on natural resources and the environment.

If you're consumer conscious, come and find out the latest on food, nutrition, perspective legislation, clothing, housing, and health care.

Watch for further details on OUTLOOK '79 in future issues of Agricultural Outlook.

Statistical Indicators

Farm Income

Gross and net farm income¹

	Annual			1975		1976				1977				1978
	1975	1976	1977	III	IV	I	II	III	IV	I	II	III	IV	I
	\$ Bil.													
Cash receipts from farm marketings	88.1	94.3	95.0	94.1	89.0	93.0	100.4	91.5	92.4	96.7	97.1	90.4	95.9	100.9
Livestock and Products	43.0	46.4	47.4	45.3	46.7	46.3	48.3	45.5	45.4	46.2	46.8	47.8	48.9	52.7
Crops	45.1	47.9	47.6	48.8	42.3	46.7	52.1	46.0	47.0	50.5	50.3	42.6	47.0	48.2
Nonmoney and other farm income ²	8.6	9.3	11.1	9.2	9.1	9.1	9.2	9.4	9.5	9.8	10.1	10.4	14.1	12.4
Realized gross farm income	96.7	103.6	106.1	103.4	98.1	102.1	109.6	100.9	101.9	106.5	107.2	100.8	110.0	113.3
Farm production expenses	75.9	81.7	85.7	78.8	76.7	79.1	84.2	82.3	81.2	84.5	86.5	83.3	88.5	91.5
Farmers' realized net income	20.8	21.9	20.4	24.6	21.4	23.0	25.4	18.6	20.7	22.0	20.7	17.5	21.5	21.8
Net change in farm inventories	3.5	-1.9	.9	2.9	5.5	-1.5	-2.2	-1.0	-2.7	-.5	.5	0	3.5	.5
Farmers' total net income														
Current prices	24.3	20.0	21.3	27.5	26.9	21.5	23.2	17.6	18.0	21.5	21.2	17.5	25.0	22.3
1967 prices ³	14.6	11.4	11.3	16.3	15.7	12.5	13.3	9.9	10.0	11.7	11.3	9.2	13.0	11.3

¹ Quarterly data are seasonally adjusted at annual rates; these estimates are subject to revision in July 1978. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the index of prices paid by farmers for family living items on a 1967 base. Since 1977 I movement is based on the overall change in the consumer price index.

Cash receipts from farming

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	\$ Mil.									
Farm marketings and CCC loans ¹	88,077	94,326	95,025	7,110	10,968	10,469	8,853	8,724	6,976	7,236
Livestock and Products	43,024	46,389	47,453	3,951	4,453	4,113	4,128	4,053	4,150	4,596
Meat animals	25,818	27,188	27,909	2,309	2,812	2,528	2,480	2,459	2,620	2,847
Dairy products	9,909	11,425	11,782	982	979	959	1,007	1,008	941	1,067
Poultry and eggs	6,791	7,192	7,207	620	619	587	584	543	548	642
Other	506	584	555	40	43	39	67	43	41	40
Crops	45,053	47,937	47,572	3,159	6,515	6,356	4,725	4,671	2,826	2,640
Food grains	7,763	6,799	5,886	304	557	240	224	422	268	234
Feed crops	12,153	13,475	12,257	865	1,411	1,909	1,266	1,395	789	659
Cotton (lint and seed)	2,311	3,552	3,961	122	654	861	1,055	459	189	177
Tobacco	2,155	2,270	2,331	107	286	360	284	227	46	—
Oil-bearing crops	7,278	8,855	9,197	849	1,950	1,452	659	1,262	728	675
Vegetables and melons	5,330	5,281	5,528	343	751	372	285	320	268	318
Fruits and tree nuts	3,531	3,500	4,271	242	504	552	483	306	280	249
Other	4,532	4,205	4,141	327	402	610	469	280	258	328
Government payments	807	734	1,864	123	86	104	1,030	308	219	151
Total cash receipts ²	88,884	95,060	96,889	7,233	11,054	10,573	9,883	9,032	7,195	7,387

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
All commodities	113	121	124	106	176	169	139	133	102	97
Livestock and products	106	111	113	114	129	120	116	110	107	112
Crops	124	134	141	94	243	238	172	166	96	75

Cash receipts¹ from farm marketings, by States, January-March

	Livestock and Products		Crops ²		Total ²	
	1977	1978	1977	1978	1977	1978
	\$ Mil. ³					
NORTH ATLANTIC						
Maine	67.3	61.6	50.8	34.5	118.1	96.1
New Hampshire	14.3	15.1	5.3	5.1	19.5	20.1
Vermont	55.2	61.0	4.6	4.3	59.8	65.3
Massachusetts	29.1	27.7	27.0	24.9	56.1	52.7
Rhode Island	3.4	3.5	3.5	3.4	6.9	6.9
Connecticut	34.2	32.7	47.5	36.3	81.7	69.0
New York	290.1	311.6	116.8	106.1	406.9	417.8
New Jersey	28.2	27.1	26.6	27.0	54.8	54.1
Pennsylvania	324.9	346.4	156.0	136.2	480.9	482.6
NORTH CENTRAL						
Ohio	278.3	305.7	445.2	338.9	723.5	644.6
Indiana	316.9	368.8	568.7	428.9	885.6	797.6
Illinois	456.7	523.7	1,362.7	1,199.5	1,819.3	1,723.2
Michigan	201.7	221.2	187.1	212.4	388.8	433.6
Wisconsin	614.1	676.6	93.5	153.7	707.6	830.3
Minnesota	534.7	602.4	392.9	519.3	927.6	1,121.7
Iowa	944.8	1,126.6	1,012.3	773.4	1,957.1	1,900.0
Missouri	356.8	416.1	243.7	277.6	600.5	693.7
North Dakota	115.6	138.4	262.4	200.1	378.0	338.5
South Dakota	377.6	440.3	54.1	154.1	431.7	594.5
Nebraska	522.3	624.4	398.8	497.0	921.0	1,121.4
Kansas	483.3	584.6	321.2	335.8	804.6	920.4
SOUTHERN						
Delaware	43.5	46.3	12.9	11.0	56.4	57.3
Maryland	108.4	119.0	32.0	24.1	140.4	143.0
Virginia	132.6	139.2	53.1	49.4	185.8	188.6
West Virginia	21.2	21.8	10.7	9.9	31.9	31.8
North Carolina	272.9	298.3	118.0	100.4	391.0	398.8
South Carolina	71.2	80.9	73.9	66.2	145.2	147.0
Georgia	299.3	331.2	137.8	84.9	437.0	416.1
Florida	177.9	191.1	597.1	700.6	774.9	891.7
Kentucky	171.3	195.1	364.9	251.9	536.3	447.0
Tennessee	182.0	206.5	144.2	100.2	326.3	306.7
Alabama	258.6	292.5	94.3	85.4	352.9	377.9
Mississippi	161.7	181.6	175.2	183.8	337.0	365.4
Arkansas	261.9	283.0	162.9	209.5	424.9	492.5
Louisiana	102.6	119.2	158.6	137.0	261.2	266.2
Oklahoma	310.3	372.3	136.8	107.5	447.0	479.8
Texas	806.7	959.6	691.8	679.5	1,498.5	1,639.1
WESTERN						
Montana	73.0	87.8	128.3	109.3	201.3	197.1
Idaho	102.8	120.8	140.8	150.7	243.6	271.5
Wyoming	39.4	49.1	12.7	13.1	52.1	62.2
Colorado	323.4	376.4	103.8	127.0	427.1	503.4
New Mexico	94.2	108.8	31.3	23.8	125.5	132.6
Arizona	139.7	166.0	157.7	152.2	297.4	318.2
Utah	57.3	70.0	18.1	17.5	75.3	87.5
Nevada	24.5	31.0	15.7	12.8	40.2	43.8
Washington	125.7	144.0	248.4	222.4	374.1	366.4
Oregon	82.2	98.9	111.7	107.6	193.9	206.5
California	700.6	776.1	895.8	865.8	1,596.3	1,641.9
Alaska .....	.9	.9	.6	.6	1.4	1.4
Hawaii	16.1	16.4	64.2	64.2	80.2	80.6
UNITED STATES						
Grand Total	11,211.2	12,799.0	10,674.0	10,137.1	21,885.2	22,936.1

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. ³ Rounded; data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
	1967=100									
Prices Received										
All farm products ¹	185	186	183	191	179	181	186	193	200	208
All crops	201	197	193	214	185	183	188	190	198	208
Food grains	242	201	156	157	173	176	178	182	186	195
Feed grains and hay	230	218	182	206	167	172	176	180	187	194
Feed grains	232	214	174	199	162	167	172	175	183	191
Cotton	183	265	270	301	228	213	213	224	228	230
Tobacco	162	164	176	174	185	183	185	184	181	183
Oil-bearing crops	197	205	243	314	202	204	207	200	221	230
Fruit	138	132	161	141	195	185	187	194	203	194
Fresh market ¹	137	131	160	136	202	190	186	201	210	200
Commercial vegetables	162	161	179	191	186	155	187	183	188	246
Fresh market	173	173	198	216	210	163	207	201	209	296
Potatoes ²	214	201	199	199	187	184	184	187	186	189
Livestock and products	172	177	175	172	174	180	185	196	204	209
Meat animals	169	170	168	165	165	174	183	197	209	218
Dairy products	175	192	193	187	203	206	203	203	203	201
Poultry and eggs	179	178	174	177	165	167	166	179	182	187
Prices Paid										
Commodities and services, interest, taxes, and wage rates	180	191	202	204	202	203	209	211	214	216
Production items	182	193	200	204	199	199	203	206	211	214
Feed	187	191	186	204	172	177	179	178	183	187
Feeder livestock	134	154	158	166	157	158	170	185	202	213
Interest payable per acre on farm real estate debt . .	281	303	331	331	331	331	384	384	384	384
Taxes on farm real estate	162	176	195	195	195	195	210	210	210	210
Wage rates (seasonally adjusted)	192	210	226	224	220	220	244	244	244	246
Production items, interest, taxes, and wage rates . .	187	198	208	211	206	207	215	218	221	224
Prices received (1910-14=100)	463	465	457	478	448	452	465	482	501	521
Prices paid, etc. (Parity index) (1910-14=100) . . .	614	653	687	692	688	690	710	717	727	735
Parity ratio ³	76	71	67	69	65	66	55	67	69	71

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, interest, taxes and wage rates. p, preliminary.

Prices received by farmers, U.S. average

	Annual *			1977			1978			
	1975	1976	1977p	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Crops										
All wheat (\$/bu.)	3.68	3.15	2.29	2.37	2.46	2.47	2.53	2.59	2.67	2.82
Rice, rough (\$/cwt.)	10.12	6.90	7.91	6.95	10.20	11.00	10.70	10.70	10.70	10.80
Corn (\$/bu.)	2.70	2.49	2.03	2.31	1.88	1.96	2.00	2.03	2.15	2.24
Sorghum (\$/cwt.)	4.31	4.01	3.12	3.44	3.03	3.05	3.15	3.20	3.37	3.62
All hay, baled (\$/ton)	51.40	58.00	57.10	63.20	48.40	49.50	50.50	51.80	51.40	51.40
Soybeans (\$/bu.)	5.24	5.58	6.82	9.05	5.61	5.69	5.75	5.53	6.20	6.49
Cotton, Upland (cts./lb.)	41.2	59.9	60.3	68.3	51.4	47.9	48.0	50.3	51.3	51.7
Potatoes (\$/cwt.)	4.04	4.15	3.82	3.99	3.15	3.01	3.21	3.19	3.24	3.39
Dry edible beans (\$/cwt.)	20.30	16.40	17.60	16.70	24.10	22.80	21.60	22.80	21.40	20.60
Apples for fresh use (cts./lb.)	10.6	10.1	12.3	12.3	12.4	12.6	12.6	13.6	14.8	15.2
Pears for fresh use (\$/ton)	¹ 169	178	146	112	185	207	195	205	274	404
Oranges, all uses (\$/box) ²	1.80	1.69	2.67	2.03	4.27	3.70	3.71	4.16	4.49	4.04
Grapefruit, all uses (\$/box) ²	1.78	1.42	1.63	1.10	1.73	1.84	1.27	1.38	1.25	1.28
Livestock										
Beef cattle (\$/cwt.)	32.20	33.90	34.50	35.30	34.30	35.50	37.20	39.90	43.80	47.30
Calves (\$/cwt.)	26.90	34.50	36.80	38.20	36.80	37.50	40.80	44.50	49.10	52.90
Hogs (\$/cwt.)	47.60	43.00	40.00	36.00	37.80	41.50	43.90	47.90	46.80	44.80
Lambs (\$/cwt.)	42.10	47.60	51.40	50.80	52.40	56.90	61.00	62.60	67.70	64.20
All milk, sold to plants (\$/cwt.)	8.78	9.66	9.72	9.43	10.20	10.30	10.20	10.20	10.20	10.10
Milk, manuf. grade (\$/cwt.)	7.71	8.56	8.71	8.66	9.10	9.16	9.12	9.18	9.23	9.28
Broilers (cts./lb.)	26.2	23.1	23.6	24.2	21.3	20.2	22.8	24.3	24.8	28.1
Eggs (cts./doz.) ³	52.8	58.8	54.2	55.4	51.2	53.6	49.4	55.1	55.4	52.2
Turkeys (cts./lb.)	33.6	31.8	34.8	33.5	39.0	40.2	38.0	37.1	37.8	37.9
Wool (cts./lb.) ⁴	44.3	65.1	71.4	72.5	70.6	69.3	72.9	72.7	72.1	73.7

¹ Eleven month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. p Preliminary. * Calendar year averages.

Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
	1967=100									
Finished goods ¹	163.4	170.3	180.6	178.8	184.5	185.5	186.8	188.3	189.0	191.4
Consumer foods	181.0	180.2	189.1	188.6	190.4	192.9	194.8	199.3	200.1	204.6
Fruits and vegetables ²	183.7	178.4	192.2	205.7	192.9	170.1	197.1	204.6	201.6	227.3
Eggs	159.8	179.1	162.0	165.2	149.4	166.3	145.2	170.3	167.4	152.3
Bakery products	178.6	180.0	186.2	185.2	189.8	192.0	191.8	193.6	194.4	195.2
Meats	188.7	173.6	170.7	159.6	174.7	183.6	185.9	198.2	197.6	205.3
Beef and veal	176.3	156.0	157.5	151.7	163.5	168.5	171.0	182.7	188.6	204.9
Pork	214.7	201.4	190.1	167.8	189.4	207.0	206.3	221.7	206.2	202.7
Poultry	184.1	166.2	173.3	179.9	163.0	160.0	169.1	183.7	184.4	189.6
Fish	218.7	272.4	294.3	306.0	287.2	294.8	293.5	288.5	291.4	296.0
Dairy products	155.8	168.5	173.4	173.5	176.9	178.2	178.0	178.7	180.3	184.5
Processed fruits and vegetables	169.8	170.2	187.3	185.2	193.0	194.4	194.4	194.6	195.6	196.4
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.1	112.0	108.6	104.0
Vegetable oil and products	211.5	174.2	198.7	206.3	192.3	197.4	194.5	193.9	206.6	216.8
Consumer finished goods less foods	153.1	161.8	172.1	170.4	175.8	176.2	177.2	177.7	178.2	180.4
Beverages, alcoholic	134.7	138.1	139.7	138.6	140.5	142.0	142.5	145.2	146.3	145.3
Beverages, nonalcoholic	186.1	187.2	198.1	194.5	203.5	203.5	204.7	207.3	207.3	209.2
Apparel	133.4	139.9	147.3	146.5	149.1	149.4	149.8	149.8	150.0	150.3
Footwear	147.8	158.9	168.9	167.2	172.0	172.1	173.8	176.2	176.2	180.5
Tobacco products	149.6	163.0	180.0	175.1	189.6	189.9	190.4	191.2	190.9	191.4
Intermediate materials ⁴	180.0	189.3	201.7	201.2	204.8	205.3	207.0	208.9	210.7	212.4
Materials for food manufacturing	209.4	180.6	181.7	189.0	181.1	185.8	186.2	191.2	195.7	201.7
Flour	163.4	147.8	118.9	120.4	123.1	122.0	129.6	127.5	130.6	147.4
Refined sugar ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101.5	108.3	106.0	108.6
Crude vegetable oils	208.1	162.5	197.5	253.7	175.0	196.6	185.9	184.6	223.9	219.5
Crude materials ⁴	196.9	205.1	214.3	226.1	210.5	215.6	219.6	225.0	231.2	238.9
Foodstuffs and feedstuffs	191.8	190.1	190.9	203.7	185.4	189.9	194.0	201.3	207.5	216.3
Fruits and vegetables ²	183.7	178.4	192.2	205.7	192.9	170.1	197.1	204.6	201.6	227.3
Grains	223.9	205.9	165.3	184.4	164.6	167.3	169.1	170.8	178.9	198.7
Livestock	187.8	173.3	173.0	167.9	171.6	182.7	188.2	202.1	208.3	218.1
Poultry, live	189.8	166.9	175.4	182.3	162.7	157.8	170.2	188.8	187.9	196.0
Fibers, plant and animal	153.1	223.9	202.3	249.5	164.1	161.0	171.0	174.4	186.9	181.0
Milk	180.2	201.2	202.6	197.7	209.8	210.1	208.4	209.7	219.7	212.1
Oilseeds	198.5	204.4	236.8	330.8	202.3	204.2	206.1	195.5	224.0	232.6
Coffee, green	177.8	305.5	504.1	678.4	431.5	431.5	417.2	408.3	386.2	372.1
Tobacco, leaf	n.a.	164.2	n.a.	174.5	185.3	185.3	185.1	184.4	181.9	n.a.
Sugar, raw cane	316.2	185.5	149.5	171.2	n.a.	134.0	172.5	192.5	182.1	192.9
All commodities	174.9	183.0	194.2	194.3	197.0	198.2	199.9	202.0	203.8	206.4
Industrial commodities	171.5	182.4	195.1	193.3	199.2	200.0	201.5	202.8	204.1	206.0
All foods ⁷	186.0	178.9	186.8	187.0	188.1	190.5	193.3	198.3	199.2	204.5
Farm products and processed foods and feeds	184.2	183.1	188.8	195.9	186.8	189.5	192.1	196.6	200.3	205.5
Farm products	186.7	191.0	192.5	208.2	185.5	188.3	192.2	198.9	205.3	213.6
Processed foods and feeds	182.6	178.0	186.1	188.5	186.7	189.3	191.3	194.6	196.8	200.2
Cereal and bakery products	178.0	172.1	173.2	171.6	179.7	182.0	183.6	184.7	185.7	188.6
Sugar and confectionery	254.3	190.9	177.6	186.4	177.8	179.0	185.8	193.8	192.9	196.9
Beverages	162.4	173.5	200.9	202.1	200.6	201.3	201.9	201.1	200.0	200.1
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	219.0	208.8	215.1	215.4	220.8	225.1	239.5

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Consumer Price Index, U.S. average (not seasonally adjusted)*

	Annual			1977			1978			
	1975	1976 ¹	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
	1967=100									
Consumer price index, all items	161.2	170.5	181.5	179.6	185.4	186.1	186.9	188.3	189.8	191.3
Consumer price index, less food	157.1	167.5	178.4	176.3	182.5	183.1	183.6	184.5	185.8	187.1
All food	175.4	180.8	192.2	190.9	195.6	196.3	198.2	201.3	203.6	205.6
Food away from home	174.3	186.1	200.3	197.5	205.4	206.2	207.2	208.1	209.3	210.9
Food at home	175.8	179.5	190.2	189.3	193.0	193.7	195.9	199.6	202.1	204.3
Meats ¹	177.9	178.2	174.2	170.1	177.5	178.3	182.2	187.5	192.0	197.1
Beef and veal	170.0	164.5	163.6	161.2	166.0	168.0	170.5	175.6	179.2	186.3
Pork	196.9	199.5	188.8	181.7	193.8	191.7	198.4	204.5	209.2	212.9
Poultry	162.4	155.7	156.7	157.7	157.4	153.6	158.0	161.3	165.4	169.8
Fish	203.3	227.3	251.6	244.0	262.4	262.6	265.1	264.9	265.4	266.5
Eggs	157.8	172.4	166.9	166.0	157.9	148.6	168.9	161.7	165.3	160.3
Dairy products ²	156.6	169.3	173.9	171.4	176.5	176.9	177.5	179.4	179.9	181.4
Fats and oils ³	198.6	173.7	191.4	183.5	197.2	196.1	196.3	197.7	199.3	200.1
Fruits and vegetables	171.0	175.4	191.6	203.0	188.7	192.5	191.8	199.4	205.1	208.9
Fresh	166.1	170.2	193.4	214.3	185.0	188.0	185.9	196.5	205.9	212.5
Processed	178.3	183.0	188.8	186.1	194.2	199.2	200.5	203.7	203.9	203.7
Cereals and bakery products	184.8	180.6	183.5	182.6	187.1	189.0	190.8	194.5	194.4	194.8
Sugar and sweets	246.2	218.2	229.4	226.4	236.3	239.7	245.4	252.7	255.5	257.9
Beverages, nonalcoholic	178.9	214.0	322.4	311.4	337.4	334.3	332.4	331.0	329.7	323.9
Apparel commodities less footwear	140.6	144.9	150.6	148.6	155.1	154.5	151.0	151.7	153.2	153.9
Footwear	144.2	149.9	156.9	156.2	159.9	159.6	158.2	159.8	161.5	162.5
Tobacco products	153.9	160.5	168.2	166.1	172.8	173.0	173.4	173.8	174.1	174.3
Beverages, alcoholic	142.1	146.8	150.9	149.8	153.2	153.2	153.9	155.4	156.9	158.4

¹ Beef, veal, lamb, mutton, pork, and Processed meat. ² Includes butter. ³ Excludes butter. *Unrevised CPI.

Farm-Retail Price Spreads

Farm-retail price spreads

	Annual			1977p			1978p			
	1975	1976	1977p	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Market basket ¹ :										
Retail cost (1967=100)	173.6	175.4	179.2	179.1	180.9	181.8	184.2	188.1	190.7	193.3
Farm value (1967=100)	187.2	178.4	179.1	178.7	179.0	179.5	186.2	191.3	199.5	206.6
Farm-retail spread (1967=100)	165.0	173.5	179.5	179.3	182.1	183.3	183.0	186.0	185.1	184.9
Farmer's share (%)	42	39	39	39	38	38	39	39	41	41
Beef, choice:										
Retail price ² (cts./lb.)	146.0	138.9	138.3	134.0	141.9	144.8	148.2	151.2	154.6	162.9
Carcass value ³ (cts.)	105.5	88.6	91.0	88.1	96.2	98.6	99.4	102.6	108.1	117.4
Net farm value (cts./2.28 lbs.)	92.9	77.9	79.9	78.6	83.4	86.1	86.6	89.8	98.1	106.6
Farm-retail spread (cts.)	53.1	61.0	58.4	55.4	58.5	58.7	61.6	61.4	56.5	56.3
Carcass-retail spread ⁴ (cts.)	40.5	50.3	47.3	45.9	46.7	46.2	48.8	48.6	46.5	45.5
Farm-carcass spread ⁵ (cts.)	12.6	10.7	11.1	9.5	11.8	12.5	12.8	12.8	10.0	10.8
Farmer's share (%)	64	56	58	59	59	59	58	59	63	65
Pork:										
Retail price ² (cts./lb.)	135.0	134.3	125.4	118.9	127.5	130.6	133.8	138.4	139.4	140.9
Wholesale value ³ (cts.)	103.8	93.6	87.6	80.2	90.6	95.1	91.5	96.5	96.4	95.7
Net farm value (cts./1.97 lbs.)	86.9	78.5	73.4	64.5	70.3	79.0	82.3	87.6	84.2	81.9
Farm-retail spread (cts.)	48.1	55.8	52.0	54.4	57.2	51.6	51.5	50.8	55.2	59.0
Carcass-retail spread ⁴ (cts.)	31.2	40.7	37.8	38.7	36.9	35.5	42.3	41.9	43.0	45.2
Farm-carcass spread ⁵ (cts.)	16.9	15.1	14.2	15.7	20.3	16.1	9.2	8.9	12.2	13.8
Farmer's share (%)	64	58	59	54	55	60	62	63	60	58
Milk, fresh:										
Retail price (cts./½ gal.)	78.5	82.8	83.9	83.3	84.4	84.3	84.5	85.3	85.8	86.7
Farm value (cts./4.39 lbs. Class I)	41.2	46.2	45.8	44.0	46.8	46.7	47.3	47.6	47.3	47.6
Farm-retail spread (cts.)	37.3	36.6	38.1	39.3	37.6	37.6	37.2	37.7	38.5	39.1
Farmer's share (%)	52	56	55	53	55	55	56	56	55	55
Chicken, frying:										
Retail price (cts./lb.)	63.2	59.7	60.1	61.2	59.8	57.7	59.8	61.3	63.1	65.1
Farm value (cts./1.41 lbs. broilers)	37.0	32.6	33.0	33.7	30.2	27.9	31.2	32.9	33.7	39.5
Farm-retail spread (cts.)	26.2	27.1	27.1	27.5	29.6	29.8	28.6	28.4	29.4	25.6
Farmer's share (%)	59	55	55	55	51	48	52	54	53	61
Eggs, large grade A:										
Retail price (cts./doz.)	77.0	84.9	82.3	81.0	77.0	71.9	82.7	80.8	81.8	79.4
Farm value (cts./1.03 doz.)	50.8	58.0	53.8	56.3	51.2	44.3	54.2	51.5	52.3	50.2
Farm-retail spread (cts.)	26.2	26.9	28.5	24.7	25.8	27.6	28.5	29.3	29.5	29.2
Farmer's share (%)	66	68	65	70	66	62	66	64	64	63

See footnotes at end of table.

Farm-retail price spreads—Continued

	Annual			1977p			1978p			
	1975	1976	1977p	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Bread, white:										
Retail price (cts./lb.)	36.0	35.3	35.5	35.6	35.2	35.6	35.0	36.1	36.2	35.9
Farm value (cts./0.867 lb. wheat)	4.5	3.8	2.6	2.7	2.8	2.8	3.0	2.9	3.0	3.5
Farm value (cts. for all farm ingredients)	6.8	5.6	4.5	4.6	4.6	4.7	4.9	4.9	5.1	5.6
Farm-retail spread (cts.)	29.2	29.7	31.0	31.0	30.6	30.9	30.1	31.2	31.1	30.3
Farmer's share (%)	19	16	13	13	13	13	14	14	14	16
Lettuce:										
Retail price (cts./head)	41.7	47.7	47.6	46.4	49.0	56.2	50.6	64.8	50.1	58.8
Farm value (cts./1.88 lbs.)	13.8	17.1	15.0	10.4	22.8	13.9	19.8	22.0	14.8	26.3
Farm-retail spread (cts.)	27.9	30.6	32.6	36.0	26.2	42.3	30.8	42.8	35.3	32.5
Farmer's share (%)	33	36	32	22	47	25	39	34	30	45
Potatoes:										
Retail price (cts./10 lbs.)	134.4	145.8	149.7	148.2	131.4	132.0	129.0	130.5	132.9	134.7
Farm value (cts./10.42 lbs.)	42.2	43.2	41.2	41.5	32.8	31.3	33.4	33.2	33.7	35.3
Farm-retail spread (cts.)	92.2	102.6	108.5	106.7	98.6	100.7	95.6	97.3	99.2	99.4
Farmer's share (%)	31	30	28	28	25	24	26	25	25	26
Tomatoes:										
Retail price (cts./lb.)	57.9	57.6	67.8	90.1	63.3	73.0	72.1	56.8	70.2	63.5
Farm value (cts./1.18 lbs.)	23.8	23.8	28.2	31.2	35.6	22.1	27.8	20.8	25.4	39.6
Farm-retail spread (cts.)	34.1	33.8	39.6	58.9	27.7	50.9	44.3	36.0	44.8	23.9
Farmer's share (%)	41	41	42	35	56	30	39	37	36	62
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	28.2	28.7	34.6	33.1	39.2	41.2	42.2	43.3	43.8	44.1
Farm value (cts./3.08 lbs.)	8.6	10.7	10.5	9.0	11.3	11.3	13.2	15.3	18.6	20.1
Farm-retail spread (cts.)	19.6	18.0	24.1	24.1	27.9	29.9	29.0	28.0	25.2	24.0
Farmer's share (%)	30	37	30	27	29	27	31	35	42	46
Margarine:										
Retail price (cts./lb.)	62.9	52.5	57.2	53.9	59.8	59.0	58.6	59.4	60.8	60.9
Farm value (cts. for veg. oil and NFDM)	21.1	16.6	20.5	24.4	16.6	19.2	17.8	17.9	20.1	21.9
Farm-retail spread (cts.)	41.8	35.9	36.7	29.5	43.2	39.8	40.8	41.5	40.7	39.0
Farmer's share (%)	34	32	36	45	28	33	30	30	33	36

¹ For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. ³ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Farm-retail spreads for selected foods

Commodities in retail units	First Quarter											
	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1976	1977	1978 ¹	1976	1977	1978 ¹	1976	1977	1978 ¹	1976	1977	1978 ¹
Beef, Choice (lb.)	142.1	135.1	151.3	77.7	74.3	91.5	64.4	60.8	59.8	55	55	60
Lamb, Choice (lb.)	179.5	181.8	206.9	104.5	101.5	131.6	75.0	80.3	75.3	58	56	64
Pork (lb.)	141.5	120.6	137.2	86.4	68.9	84.7	55.1	51.7	52.5	61	57	62
Butter (lb.)	123.5	127.0	139.1	78.3	79.8	88.7	45.2	47.2	50.4	63	63	64
Cheese, American process (1/2 lb.)	85.8	84.6	92.1	40.9	39.3	42.9	44.9	45.3	49.2	48	46	47
Ice cream (1/2 gal.)	125.8	131.2	140.3	45.3	44.2	48.6	80.5	87.0	91.7	36	34	35
Milk, evaporated (14 1/2 oz.)	33.8	35.1	38.0	16.6	16.5	17.7	17.2	18.6	20.3	49	47	47
Milk, fresh:												
Sold in stores (1/2 gal.)	82.6	83.5	84.8	47.5	44.7	47.4	35.1	38.8	37.4	58	54	56
Chicken, frying (lb.)	61.9	58.3	61.5	35.1	31.3	32.6	26.8	27.0	28.9	57	54	53
Turkey (lb.)	75.0	70.5	78.6	42.0	42.3	48.2	33.0	28.2	30.4	56	60	61
Eggs, large Grade A (doz.)	86.0	96.9	82.1	58.2	65.0	52.7	27.8	31.9	29.4	68	67	64
Bread, white:												
All ingredients (lb.)	35.3	35.3	35.7	6.2	4.6	4.9	29.1	30.7	30.8	18	13	14
Wheat (lb.)	—	—	—	4.4	2.8	3.0	—	—	—	12	8	8
Bread, whole wheat (lb.)	56.9	58.8	61.4	5.7	4.4	4.7	51.2	54.4	56.7	10	7	8
Cookies, sandwich (lb.)	94.8	97.8	114.1	10.6	10.3	10.9	84.2	87.5	103.2	11	11	10
Corn flakes (12 oz.)	51.7	52.5	59.3	4.2	4.0	3.5	47.5	48.5	55.8	8	8	6
Flour, white (5 lb.)	95.1	87.1	84.0	34.9	22.4	24.4	60.2	64.7	59.6	37	26	29
Rice, long grain (lb.)	44.7	40.1	45.1	10.5	9.9	15.8	34.2	30.2	29.3	23	25	35
Apples (lb.)	29.2	36.7	41.4	8.8	11.3	14.2	20.4	25.4	27.2	30	31	34
Grapefruit (ea.)	18.6	21.5	21.4	3.2	4.3	3.0	15.4	17.2	18.4	17	20	14
Lemons (lb.)	46.2	41.0	44.9	10.4	7.5	9.2	35.8	33.5	35.7	23	18	20
Oranges (doz.)	108.7	115.0	145.0	22.2	25.8	40.3	86.5	89.2	104.7	20	22	28
Cabbage (lb.)	17.9	34.5	23.2	5.5	7.9	9.7	12.4	16.6	13.5	31	52	42
Carrots (lb.)	23.9	37.8	31.4	6.6	14.5	9.7	17.3	23.3	21.7	28	38	31
Celery (lb.)	35.6	40.2	34.1	11.4	17.3	10.4	24.2	22.9	23.7	32	43	30
Cucumbers (lb.)	40.6	47.8	44.3	14.1	14.5	10.7	26.5	33.3	33.6	35	30	24

See footnotes at end of table.

Farm-retail spreads for selected foods—Continued

First Quarter

Commodities in retail units	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1976	1977	1978 ¹	1976	1977	1978 ¹	1976	1977	1978 ¹	1976	1977	1978 ¹
Lettuce (head)	40.4	46.1	55.5	15.3	17.5	18.9	25.1	28.6	36.6	38	38	34
Onions (lb.)	24.5	28.7	21.6	10.2	14.0	5.7	14.3	14.7	15.9	42	49	26
Peppers, green (lb.)	58.6	82.0	59.3	27.0	35.6	22.9	31.6	46.4	36.4	46	43	39
Potatoes (10 lb.)	149.9	135.9	132.8	49.3	36.7	33.4	100.6	99.2	99.4	33	27	25
Tomatoes (lb.)	57.4	72.0	66.0	22.0	34.2	24.7	35.4	37.8	41.3	38	48	37
Peaches, canned (no. 2½)	58.4	60.4	62.7	14.2	13.2	12.7	44.2	47.2	50.0	24	22	20
Pears, canned (No. 2½)	72.4	70.9	73.8	15.3	12.3	13.2	57.1	58.6	60.6	21	17	18
Beets, canned (No. 303)	32.2	33.0	36.3	2.4	2.3	2.3	29.8	30.7	34.0	7	7	6
Corn, canned (No. 303)	36.4	34.1	32.1	5.6	5.4	5.5	30.8	28.6	26.6	15	16	17
Peas, canned (No. 303)	38.5	38.2	37.8	8.0	7.2	7.4	30.5	31.0	30.4	21	19	20
Tomatoes, canned (No. 303)	35.2	36.3	39.1	4.8	4.4	4.9	30.4	31.9	34.2	14	12	13
Lemonade, frozen (6-oz. can)	23.6	23.0	24.0	3.9	2.7	2.6	19.5	20.3	21.4	17	12	11
Orange juice, frozen (6-oz. can)	29.2	29.6	43.0	9.7	9.4	15.7	19.5	20.2	27.3	33	32	37
Potatoes, french fried, frozen (9 oz.)	27.0	27.5	30.0	5.4	4.2	4.1	21.6	23.3	25.9	20	15	14
Peas, frozen (10 oz.)	35.3	35.4	40.1	7.3	6.5	6.6	28.0	28.9	33.5	21	18	16
Beans, dried (lb.)	54.4	41.4	51.8	24.6	14.5	20.9	29.8	26.9	30.9	45	35	40
Margarine (lb.)	54.8	53.0	60.0	14.4	19.5	18.6	40.4	33.1	41.4	26	38	31
Peanut butter (12-oz. jar)	70.6	71.9	74.8	25.8	28.7	30.5	44.8	43.2	44.3	37	40	41
Salt and cooking oil (24-oz. bottle)	98.5	98.9	110.1	23.9	32.2	29.4	74.6	66.7	80.7	24	33	27
Vegetable shortening (3 lb.)	160.5	157.4	158.8	49.8	68.8	64.3	110.7	88.6	94.5	31	44	40
Sugar (5 lb.)	126.6	107.4	118.2	51.5	42.2	52.0	75.1	65.2	66.2	41	39	44
Spaghetti, canned (15½-oz. can)	26.6	27.3	29.5	3.8	3.0	3.1	22.8	24.3	26.4	14	11	11

¹ Preliminary.

Food marketing: Spreads, costs, and profit rates

Year	Intermediate goods and services ¹					Profit rates after taxes				
	Farm-retail price spread	Total	Containers packaging	Fuel, power, and light	Hourly earnings ²	Interest rate ³	Food retailers ⁴		Food manufacturers ⁵	
							Sales	Equity	Sales	Equity
1967=100					Dollars	Percent				
1970	113.5	113	108	108	3.03	8.48	—	—	2.5	10.8
1971	116.6	120	113	120	3.24	6.32	—	—	2.6	11.0
1972	119.0	126	117	126	3.45	5.82	—	—	2.6	11.2
1973	126.5	134	123	138	3.66	8.30	—	—	2.6	12.8
1974	151.5	159	151	202	3.99	11.28	—	—	2.9	13.9
1975	165.0	180	174	237	4.40	8.65	0.5	6.8	3.2	14.4
1976 ⁶	173.5	193	184	258	4.77	7.52	.8	10.0	3.4	14.9
1977 ⁶	179.5	208	195	310	5.18	—	.8	10.8	3.1	13.2
1975										
I	166.1	176	173	231	4.28	9.94	.4	5.5	2.4	10.7
II	161.9	178	174	237	4.34	8.16	.8	10.5	3.3	15.0
III	163.4	181	174	238	4.43	8.22	.8	9.9	3.7	17.2
IV	168.8	184	176	241	4.55	8.29	.9	11.5	3.2	14.0
1976 ⁶										
I	172.6	186	179	243	4.65	7.54	.7	9.4	3.1	13.3
II	170.8	191	185	252	4.73	7.44	.9	11.6	3.7	16.4
III	174.4	194	185	260	4.81	7.80	.7	8.9	3.9	16.8
IV	176.3	198	187	278	4.91	7.28	.8	10.7	3.1	13.1
1977 ⁶										
I	177.3	202	189	301	5.04	7.48	.8	10.6	2.7	11.4
II	178.9	207	195	306	5.12	7.37	.9	11.5	3.5	15.0
III	180.4	211	197	315	5.19	7.87	.6	7.5	3.1	13.1
IV	181.6	213	199	317	5.33	—	1.0	13.7	3.2	13.6
1978 ⁶										
I	184.7	217	203	321	5.49	—	—	—	—	—

¹ Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. ² Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. ³ Bank rates on short-term business loans in 35 centers, Department of Commerce, Series revised beginning 1977 and is not strictly comparable with earlier data. Revised series is for short-term commercial and industrial loans and is from survey of terms of bank lending. ⁴ Federal Trade Commission. These data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. ⁵ "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. ⁶ Preliminary.

Price spreads for beef and pork

	Retail price per pound ¹	Carcass value ²	Gross farm values ³	Byproduct allowance ⁴	Net value ⁵	Farm-retail spread			Farmer's share
						Total	Carcass- retail ⁶	Farm- carcass ⁷	
									Cents	Percent
Beef, Choice grade									
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1977	138.3	91.0	89.0	9.1	79.9	58.4	47.3	11.1	58
1975									
Jan.-Mar.	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
Apr.-June	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
July-Sept.	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
Oct.-Dec.	161.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.-Mar.	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
Apr.-June	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
July-Sept.	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
Oct.-Dec.	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.-Mar.	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55
Apr.-June	136.6	90.8	90.1	9.7	80.4	56.2	45.8	10.4	59
July-Sept.	138.8	91.4	88.9	8.7	80.2	58.6	47.4	11.2	58
Oct.-Dec.	142.7	96.4	93.6	9.0	84.6	58.1	46.3	11.8	59
1978									
Jan.-Mar.	151.3	103.4	101.2	9.7	91.5	59.8	47.9	11.9	60
Pork									
1971	70.3	52.1	35.1	2.8	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.5	55.8	40.7	15.1	58
1977	125.4	87.6	79.4	6.0	73.4	52.0	37.8	14.2	59
1975									
Jan.-Mar.	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
Apr.-June	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
July-Sept.	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
Oct.-Dec.	153.4	114.1	100.9	7.3	93.6	59.8	39.3	20.5	61
1976									
Jan.-Mar.	141.5	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
Apr.-June	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
July-Sept.	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
Oct.-Dec.	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.-Mar.	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57
Apr.-June	121.8	85.7	78.6	6.5	72.1	49.7	36.1	13.6	59
July-Sept.	131.1	89.3	84.4	6.0	78.4	52.7	41.8	10.9	60
Oct.-Dec.	128.3	91.3	79.6	5.6	74.0	54.3	37.0	17.3	58
1978									
Jan.-Mar.	137.2	94.8	91.5	6.8	84.7	52.5	42.4	10.1	62

¹ Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. ² For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 and later data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. ³ Payment to farmers for quantity of live animal equivalent to 1 retail pound: Beef, 2.28 lb. and pork 1.97 lb. ⁴ Portion of gross farm value attributed to edible and inedible byproducts. ⁵ Gross farm value minus byproduct allowance. ⁶ Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling, and in-city transportation. ⁷ Includes changes made for livestock marketing, processing, and transportation to city where consumed.

Market basket of farm foods¹

Product group	Annual			1977 ²				1978 ³
	1975	1976 ²	1977 ²	I	II	III	IV	I
	Dollars ¹							
Retail cost								
Meat	582.68	583.63	569.60	558.09	560.71	579.03	580.57	612.20
Dairy	302.65	331.18	340.72	335.86	338.80	341.81	346.41	353.21
Poultry	75.42	72.54	73.05	71.05	73.67	74.92	72.54	75.51
Eggs	55.24	61.71	59.66	70.74	54.51	58.89	54.48	59.86
Bakery and cereal	304.29	299.45	304.40	300.15	304.11	303.27	310.06	320.52
Fresh fruits	74.82	75.12	87.52	80.45	87.90	92.61	89.12	93.71
Fresh vegetables	114.07	120.77	135.26	141.66	148.75	127.72	122.89	129.72
Proc. fruits and veg.	187.40	189.59	198.46	192.70	197.25	199.45	204.43	208.67
Fats and oils	81.39	69.54	75.56	71.29	74.40	78.92	77.62	77.79
Miscellaneous	98.12	91.91	92.30	91.46	92.08	91.76	93.91	96.81
Total	1,876.08	1,895.44	1,936.51	1,913.45	1,932.19	1,948.39	1,952.00	2,028.00
Farm value								
Meat	347.51	313.94	313.36	296.30	314.92	321.39	320.84	355.67
Dairy	149.50	170.12	171.32	166.62	169.71	174.52	174.44	178.69
Poultry	44.21	39.63	40.54	38.55	42.30	43.19	38.12	40.71
Eggs	36.46	42.11	39.10	47.46	35.03	39.14	34.77	38.55
Bakery and cereal:								
All ingredients	56.60	46.11	39.27	39.92	38.72	37.52	40.91	44.70
Grain	39.30	32.74	25.20	25.98	23.60	23.95	27.25	29.39
Fresh fruits	22.80	21.18	25.58	22.70	23.73	27.52	28.38	28.06
Fresh vegetables	39.58	39.78	44.31	55.64	44.07	38.65	38.89	40.46
Proc. fruits and veg.	40.04	38.34	35.64	34.60	35.25	35.52	37.19	39.33
Fats and oils	27.76	22.57	27.26	26.67	32.26	25.75	24.34	25.52
Miscellaneous	19.64	13.82	12.43	12.35	12.57	11.86	12.97	14.39
Total	784.10	747.59	748.82	740.80	748.55	755.06	750.86	806.08
Farm-retail spread								
Meat	235.17	269.69	256.24	261.79	245.79	257.64	259.73	256.53
Dairy	153.15	161.06	169.40	169.24	169.09	167.29	171.97	174.52
Poultry	31.21	32.91	32.51	32.50	31.37	31.73	34.42	34.80
Eggs	18.78	19.60	20.56	23.28	19.48	19.75	19.71	21.31
Bakery and cereal	247.69	253.34	265.13	260.23	265.39	265.75	269.15	275.82
Fresh fruits	52.02	53.94	61.94	57.75	64.17	65.09	60.74	65.65
Fresh vegetables	74.49	80.99	90.95	86.02	104.68	89.07	84.00	89.26
Proc. fruits and veg.	147.36	151.25	162.82	158.10	162.00	163.93	167.24	169.34
Fats and oils	53.63	46.97	48.30	44.62	42.14	53.17	53.28	52.27
Miscellaneous	78.48	78.09	79.87	79.11	79.51	79.90	80.94	82.42
Total	1,091.98	1,147.85	1,187.69	1,172.65	1,183.64	1,193.33	1,201.14	1,221.92
	Percent							
Farmer's share								
Meat	60	54	55	53	56	56	55	58
Dairy	49	51	50	50	50	51	50	51
Poultry	59	55	55	54	57	58	53	54
Eggs	66	68	66	67	64	66	64	64
Bakery and cereal:								
All ingredients	19	15	13	13	13	12	13	14
Grain	13	11	8	9	8	8	9	—
Fresh fruits	30	28	29	28	27	30	32	30
Fresh vegetables	34	33	33	39	30	30	32	31
Proc. fruits and veg.	21	20	18	18	18	18	18	19
Fats and oils	34	32	36	37	43	33	31	33
Miscellaneous	20	15	13	14	14	13	14	15
Average	42	39	39	39	39	39	38	40

¹ Annual rate. See footnote 1 on monthly farm-retail price spread table (page 24) for description of data. ² Revised. ³ Preliminary.

Food Supply and Use

Civilian per capita consumption of major food commodities (retail weight)¹

	1960	1970	1971	1972	1973	1974	1975	1976	1977 ²
	Pounds								
Meats:	134.1	161.4	156.8	153.5	142.6	152.5	145.4	155.3	154.8
Beef	64.3	84.1	83.6	85.9	81.1	86.4	88.9	95.7	93.2
Veal	5.2	2.4	2.2	1.8	1.5	1.9	3.5	3.3	3.2
Lamb and mutton	4.3	2.9	2.8	2.9	2.4	2.0	1.8	1.7	1.5
Pork	60.3	62.0	68.2	62.9	57.6	62.2	51.2	54.6	56.9
Fish (edible weight)	10.3	11.8	11.5	12.5	12.9	12.2	12.2	13.0	12.8
Poultry products:									
Eggs	42.4	39.5	39.9	39.1	37.3	36.6	35.4	34.9	34.5
Chicken (ready-to-cook)	27.8	40.5	40.4	42.0	40.7	41.1	40.3	43.3	44.9
Turkey (ready-to-cook)	6.2	8.0	8.4	9.0	8.5	8.9	8.6	9.2	9.2
Dairy products:									
Cheese	8.3	11.5	12.2	13.2	13.7	14.6	14.5	15.9	16.3
Condensed and evaporated milk	13.7	7.1	6.8	6.3	6.0	5.6	5.0	3.6	3.3
Fluid milk and cream (product weight)	321.0	296.0	296.0	298.0	293.0	288.0	291.1	292.0	289.4
Ice cream (product weight)	18.3	17.7	17.5	17.4	17.5	17.5	18.7	18.1	17.7
Fats and Oils—Total fat content	45.3	53.0	52.2	54.3	54.3	53.2	53.4	56.1	54.4
Butter (actual weight)	7.5	5.3	5.1	4.9	4.8	4.6	4.8	4.4	4.4
Margarine (actual weight)	9.4	11.0	11.1	11.3	11.3	11.3	11.2	12.2	11.6
Lard	7.6	4.7	4.3	3.8	3.4	3.2	4.0	3.6	3.4
Shortening	12.6	17.3	16.8	17.7	17.3	17.0	17.3	18.1	17.6
Other edible fats and oils	11.5	18.2	18.0	19.8	20.8	20.3	20.3	22.0	21.6
Fruits:									
Fresh:	90.0	79.1	78.5	74.7	74.0	76.3	81.3	84.3	82.1
Citrus	32.5	27.9	28.6	26.6	26.7	26.8	28.7	28.4	25.2
Noncitrus	57.5	51.2	49.9	48.1	47.3	49.5	52.6	55.9	56.9
Processed:									
Canned fruit	22.6	23.3	21.9	21.4	21.3	19.6	19.3	19.2	20.0
Canned juice	13.0	14.6	15.9	15.5	15.9	14.7	15.3	16.2	15.5
Frozen (including juices)	9.1	9.8	10.2	10.4	11.2	11.3	12.6	12.2	12.0
Chilled citrus juices	2.1	4.7	4.8	5.2	5.3	5.2	5.7	6.5	6.0
Dried	3.1	2.7	2.6	2.0	2.6	2.5	3.0	2.7	2.7
Vegetables:									
Fresh ³	96.0	91.0	91.9	90.8	92.7	93.6	93.9	94.7	92.4
Canned (excluding potatoes and sweet potatoes) ..	43.4	51.2	51.2	52.2	54.3	53.3	52.1	52.8	53.1
Frozen (excluding potatoes)	7.0	9.6	9.7	10.0	10.7	10.2	9.7	10.2	10.3
Potatoes ⁴	105.0	115.3	116.6	116.9	114.4	112.3	120.2	114.9	120.6
Sweet potatoes ⁴	6.5	5.2	4.5	4.7	4.7	5.1	5.3	5.3	4.9
Grains:									
Wheat flour ⁵	118	110	110	109	109	106	107	111	108
Rice	6.1	6.7	7.7	7.0	7.0	7.6	7.7	7.2	7.6
Other:									
Coffee	11.6	10.5	9.9	10.5	10.1	9.5	9.0	9.7	6.9
Tea .....	.6	.7	.8	.8	.8	.8	.8	.8	.9
Cocoa	2.9	3.1	3.2	3.5	3.4	3.0	2.6	3.0	2.7
Peanuts (shelled)	4.9	5.9	5.9	6.2	6.6	6.4	6.5	6.3	6.4
Dry edible beans	7.3	5.9	5.9	6.3	6.4	6.7	6.5	6.3	6.0
Melons	23.2	21.2	20.5	19.9	19.7	17.2	17.5	18.6	19.2
Sugar (refined)	97.4	101.8	102.4	102.8	101.5	96.6	90.2	92.2	93.2

¹Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. ²Preliminary. ³Commercial production for sale as fresh produce. ⁴Including fresh equivalent of processed. ⁵White, whole wheat, and semolina flour including use in bakery products.

Note: Historical consumption and supply-utilization data for food may be found in *Food Consumption, Prices, and Expenditures*, Ag. Econ. Report 138 and annual supplements, ESCS, USDA.

Per capita food consumption indexes¹

	1960	1970	1971	1972	1973	1974	1975	1976	1977 ²
	1967=100								
Meat, poultry, and fish	89.4	104.9	107.3	107.2	100.9	106.2	102.8	109.8	109.8
Meat	91.9	104.0	107.1	105.2	97.8	104.6	101.0	107.6	107.0
Poultry	75.3	107.1	107.9	112.8	108.8	110.6	108.2	116.1	119.5
Fish	97.0	110.7	107.9	117.5	121.3	114.7	113.9	121.0	119.7
Eggs	104.2	97.0	98.0	96.1	91.6	89.9	87.0	85.5	84.8
Dairy products ³	105.4	98.9	99.0	99.5	99.2	97.4	98.3	99.0	98.5
Fats and oils	95.4	106.6	105.2	109.3	109.8	106.9	107.8	112.6	109.6
Animal	119.2	90.4	90.1	83.9	77.8	76.2	72.6	68.0	68.2
Vegetable	82.2	115.5	113.6	123.3	127.5	123.9	127.2	137.2	132.4
Fruits ⁴	102.9	102.7	103.0	100.4	102.7	102.3	109.2	111.7	109.8
Fresh	112.0	100.6	99.6	94.4	94.4	97.4	104.3	107.3	106.6
Processed	94.8	104.6	106.1	105.8	110.1	106.6	113.5	115.6	112.7
Vegetables ⁵	99.3	101.7	101.7	102.5	105.2	104.2	103.4	107.5	106.5
Fresh	107.6	100.2	100.1	99.9	101.3	101.2	101.5	103.4	102.0
Processed	83.7	104.5	104.8	107.3	112.4	109.8	107.1	115.2	114.9
Potatoes and sweet potatoes	81.8	114.8	115.8	116.0	116.7	117.7	121.3	114.0	117.5
Fresh	133.8	95.0	91.0	91.7	83.6	80.1	90.8	85.6	94.4
Processed	58.2	123.7	127.1	127.0	131.7	134.9	135.2	126.9	128.0
Beans, peas, and nuts	95.6	98.4	100.0	103.8	104.6	100.4	106.6	104.5	103.9
Cereal products	102.0	97.9	98.6	97.6	97.8	96.0	96.5	99.0	96.8
Sugar	98.1	105.9	106.5	108.4	109.2	106.6	102.9	109.4	111.7
Coffee, tea, and cocoa	100.2	93.7	91.6	97.9	96.7	91.8	90.8	93.3	74.5
Total food	96.4	102.7	103.6	104.0	102.2	102.9	102.0	105.7	104.7
Animal products	95.5	102.2	103.8	103.6	99.2	101.8	99.7	104.0	103.7
Crops ⁶	97.4	103.2	103.3	104.5	105.9	104.1	104.8	107.8	105.9

¹ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. ² Preliminary. ³ Includes butter. ⁴ Excludes melons and baby food. ⁵ Excludes soup, baby food, dry beans and peas, potatoes, and sweet potatoes. ⁶ Includes melons, nuts, soup, and baby food in addition to groups shown separately.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Rail freight rate index ¹										
All products (1969=100)	169.4	186.6	199.1	198.3	198.6	207.7	207.8	207.8	208.0	208.1
Farm products (1969=100)	165.0	182.7	191.3	190.0	191.0	200.1	200.9	200.1	200.1	200.1
Food products (1969=100)	168.5	185.1	195.3	194.9	194.8	204.0	204.0	203.9	204.6	204.6
Rail carloadings of grain (thou. cars) ²	22.8	25.5	24.0	22.1	26.6	22.7	21.5	21.7	23.7	23.8
Barge shipments of grain (mil. bu.) ³	23.0	30.4	29.3	30.4	35.3	27.0	25.0	19.5	24.2	34.2
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{1 4}	3.8	3.3	2.0	1,826	1.4	1.6	\$1,106	\$946	\$1,184	\$1,023
Truck (thou. carlots) ^{3 4}	13.9	16.0	15.4	6,504	14.5	15.3	\$6,242	\$6,773	\$8,238	\$6,464

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1977 and 1978. ⁵ Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 80,000 pounds.

Livestock and Products

Livestock and products output and prices

	1976	1977					1978				
	Annual	I	II	III	IV	Annual	I	II ¹	III ¹	IV ¹	Annual ¹
Beef (mil. lb.)	25,667	6,287	6,158	6,321	6,220	24,986	6,104	6,000	5,850	5,800	23,754
Change (pct.) ²	+8	-3	0	-4	-3	-3	-3	-3	-7	-7	-5
Pork (mil. lb.)	12,488	3,294	3,184	3,073	3,500	13,051	3,242	3,200	3,150	3,650	13,242
Change (pct.) ²	+8	+11	+12	+2	-5	+5	-2	+1	+3	+4	+1
Veal (mil. lb.)	813	201	187	205	201	794	178	140	145	145	603
Change (pct.) ²	-2	-2	+5	0	-10	-2	-11	-25	-32	-28	-24
Lamb and mutton (mil. lb.)	361	90	86	84	81	341	75	82	85	82	324
Change (pct.) ²	-10	-5	+5	-9	-12	-6	-17	-5	+1	+1	-5
Red meats (mil. lb.)	39,329	9,872	9,615	9,683	10,002	39,172	9,599	9,422	9,225	9,677	37,923
Change (pct.) ²	+8	+1	+4	-2	-4	0	-3	-2	-5	-3	-3
Broilers (mil. lb.)	8,988	2,156	2,399	2,424	2,248	9,227	2,327	2,545	2,620	2,475	9,967
Change (pct.) ²	+13	+2	+4	+2	+2	+3	+8	+6	+8	+10	+8
Turkeys (mil. lb.)	1,950	210	365	672	645	1,892	228	400	705	670	2,003
Change (pct.) ²	+14	+1	-1	-5	-3	-3	+9	+10	+5	+4	+6
Total meats (mil. lb.)	50,267	12,238	12,379	12,779	12,895	50,291	12,154	12,367	12,550	12,822	49,893
Change (pct.) ²	+9	+2	+4	-2	-3	0	-1	0	-2	-1	-1
Eggs (mil. doz.)	5,377	1,324	1,335	1,330	1,414	5,403	1,373	1,375	1,360	1,395	5,503
Change (pct.) ²	0	-1	0	0	+5	0	+4	+3	+2	-1	+2
Milk (bil. lb.)	120.3	29.8	33.1	30.9	29.0	³ 123.0	29.9	33.4	30.7	28.7	122.7
Change (pct.) ²	+4	+2	+2	+3	+2	+2	0	+1	-1	-1	0
Total livestock and products (1974=100)	105.5	103.1	107.5	107.5	106.5	106.2	103.0	107.9	106.1	105.3	105.6
Change (pct.) ²	+6.6	+1.1	+2.8	-6	-7	+7	-1	+4	-1.3	-1.1	-6

Prices

Choice steers, Omaha (\$ per cwt.)	39.11	37.88	40.77	40.47	42.42	40.38	45.77	53-55	55-57	54-56	—
Barrows and gilts, 7-markets (\$ per cwt.)	43.11	39.08	40.87	43.85	41.38	41.07	47.44	47-49	50-52	46-48	—
Broilers, 9-city wholesale (cts. per lb.) ⁴	40.2	40.9	42.3	42.4	37.6	40.8	41.8	45-47	47-49	43-45	—
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	48.8	50.2	51.5	53.1	61.3	54.0	60.2	59-61	58-60	58-60	—
Eggs, cartoned, Grade A large, N.Y. (cts. per doz)	70.3	74.9	57.8	61.5	58.9	63.3	62.0	55-57	61-63	65-67	—
Milk, all at farm, (\$ per cwt.)	9.66	9.54	9.38	9.73	10.23	9.71	10.20	10.05-10.15	10.25-10.35	10.85-11.05	10.35-10.45
Livestock prices received by farmers (1967=100)	177	172	174	178	177	175	195	214	225	221	214

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Milk production.										
Total milk (mil. lb.)	115,334	120,269	122,957	10,743	9,429	9,770	9,988	9,341	10,528	10,686
Milk per cow (lb.)	10,350	10,879	11,194	976	861	893	914	856	967	982
Number of milk cows (thou.)	11,143	11,055	10,984	11,002	10,952	10,939	10,931	10,915	10,883	10,883
Milk prices, Minnesota-Wisconsin.										
3.5% fat (\$/cwt.) ¹	7.62	8.48	8.58	8.60	8.79	8.87	8.91	9.00	9.09	9.24
Price of 16% dairy ration (\$/ton)	134	141	140	148	129	135	136	134	135	137
Milk-feed price ratio (lb.) ²	1.40	1.53	1.57	1.42	1.76	1.72	1.69	1.70	1.68	1.62
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,886	3,844	5,708	6,992	9,353	8,983	8,626	8,737	8,897	9,170
Commercial (mil. lb.)	5,576	3,719	5,299	5,517	5,403	5,187	4,938	5,229	5,148	4,838
Government (mil. lb.)	310	124	410	1,476	3,950	3,796	3,688	3,508	3,749	4,332
Imports, total milk equiv. (mil. lb.) ³	1,669	1,943	1,968	116	129	397	228	157	151	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,036	1,236	6,092	601.5	118.8	5.9	554.1	556.6	42.7	509.1
Butter:										
Production (mil. lb.)	983.8	978.6	1,093.6	100.4	81.8	89.3	108.3	95.7	97.7	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	106.3	195.4	193.4	184.9	195.7	215.7	235.6
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	100.1	100.9	101.5	100.7	100.7	101.2	105.2
USDA net removals (mil. lb.)	63.4	39.4	222.4	25.9	5.4	.1	26.0	26.7	2.1	24.4
Commercial disappearance (mil. lb.)	951.0	919.0	867.2	65.5	74.3	95.4	65.3	64.2	107.8	—
American cheese:										
Production (mil. lb.)	1,654.6	2,062.4	2,035.7	193.8	136.0	157.8	163.6	154.3	182.9	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	421.4	454.0	435.7	422.1	412.8	389.5	374.9
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	97.9	98.8	100.1	100.1	100.8	101.4	102.6
USDA net removals (mil. lb.)	68.2	38.0	148.3	6.6	.4	.1	1.4	.3	-.4	1.8
Commercial disappearance (mil. lb.)	1,717.1	1,934.5	1,951.4	162.9	154.3	172.2	169.5	169.9	190.7	—
Other cheese:										
Production (mil. lb.)	1,156.8	1,274.1	1,308.6	108.1	112.5	117.7	110.5	106.3	128.9	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	64.4	65.3	61.4	64.0	65.8	64.5	65.7
Commercial disappearance (mil. lb.)	1,331.9	1,460.7	1,505.4	119.7	128.6	155.3	121.1	121.0	144.2	—
Nonfat dry milk:										
Production (mil. lb.)	1,001.5	926.2	1,105.2	107.1	65.9	77.5	79.7	70.6	84.4	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	464.5	688.3	681.7	677.9	689.4	681.4	662.1
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	65.6	68.0	68.1	68.1	68.0	68.0	—
USDA net removals (mil. lb.)	394.4	157.1	464.3	37.3	22.0	20.3	29.1	22.6	12.1	27.6
Commercial disappearance (mil. lb.)	697.0	719.2	680.8	40.6	44.6	63.9	50.3	54.5	77.7	—
Frozen dessert Production (mil. gal.)⁴	1,183.9	1,152.7	1,153.3	98.0	78.9	73.4	69.5	75.5	98.6	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbet.

Poultry and eggs:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Eggs										
Farm Production (mil.)	64,586	64,517	64,837	5,351	5,548	5,809	5,733	5,083	5,664	5,513
Average number of layers on farms (mil.)	278	274	275	271	285	287	285	281	278	277
Rate of lay (eggs per layer)	233	235	236	19.7	19.4	20.2	20.1	18.1	20.4	19.9
Cartoned price, New York, grade A										
large (cts./doz.) ¹	63.9	70.3	63.3	61.4	56.6	64.0	57.2	64.9	64.0	57.6
Price of laying feed (\$/ton)	147	151	152	163	141	145	147	146	149	154
Egg-feed price ratio (lb.) ²	7.2	7.9	7.1	6.8	7.3	7.4	6.7	7.5	7.4	6.8
Stocks, beginning of period:										
Shell (thou. cases)	36	22	28	40	52	50	39	50	41	37
Frozen (mil. lb.)	54.2	36.3	26.1	24.6	33.4	31.2	29.7	28.1	25.7	22.9
Replacement chicks hatched (mil.)	454	492	502	55.1	34.5	32.5	36.8	37.1	47.0	51.4
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	744.9	719.8	753.2	781.4	715.7	830.0	—
Wholesale price, 9-city, (cts./lb.)	45.1	40.2	40.8	41.4	37.3	36.2	40.2	43.1	42.2	46.1
Price of broiler grower feed (\$/ton)	163	168	171	183	159	160	162	164	167	169
Broiler-feed price ratio (lb.) ²	3.2	2.8	2.8	2.7	2.6	2.5	2.8	3.0	3.0	2.7
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	26.5	31.2	33.3	29.4	27.5	21.8	21.7
Average weekly placements of broiler chicks, 21 States (mil.)	57.7	63.6	66.7	71.8	63.1	66.2	67.7	69.0	71.7	74.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	78.9	246.8	148.2	81.8	59.7	86.3	—
Wholesale price, New York, 8-16 lb.										
young hens (cts./lb.)	53.2	48.7	54.0	53.6	60.7	65.8	60.5	59.2	60.9	59.2
Price of turkey grower feed (\$/ton)	167	174	184	195	175	177	177	177	179	183
Turkey-feed price ratio (lb.) ²	4.2	3.7	3.8	3.4	4.4	4.6	4.3	4.2	4.2	4.1
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	142.3	444.5	269.4	167.9	168.3	136.6	112.9
Poults hatched (mil.)	137.1	149.5	148.4	19.5	6.0	8.5	11.8	13.7	18.1	19.1

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Cattle on feed (7-States):										
Number on feed (thou. head) ¹	6,369	8,537	8,213	7,281	8,140	8,567	8,927	8,614	8,276	8,262
Placed on feed (thou. head) ²	18,095	18,976	20,817	1,648	2,048	2,067	1,639	1,509	1,887	1,509
Marketings (thou. head)	14,988	18,167	18,720	1,554	1,498	1,605	1,740	1,666	1,698	1,695
Other disappearance (thou. head)	939	1,133	1,383	178	123	102	212	181	203	215
Beef steer-corn price ratio, Omaha (bu.) ³	15.8	15.2	19.9	17.5	20.7	21.1	21.7	22.2	22.8	23.3
Hog-corn price ratio, Omaha (bu.) ³	16.9	16.5	20.2	16.0	19.2	21.4	22.7	24.0	22.2	20.4
Commercial slaughter (thou. head)										
Cattle	40,911	42,654	41,856	3,264	3,542	3,470	3,468	3,268	3,467	3,180
Steers	17,819	18,879	19,342	1,603	1,544	1,562	1,606	1,555	1,661	1,507
Heifers	10,438	12,158	11,748	917	946	933	971	912	998	916
Cows	11,557	10,619	9,864	676	974	909	832	742	742	690
Bulls and stags	1,097	998	902	68	78	66	59	59	66	67
Calves	5,209	5,350	5,517	445	474	450	425	387	439	352
Sheep and lambs	7,835	6,714	6,356	563	495	455	438	402	502	450
Hogs	68,687	73,784	77,303	6,652	7,198	6,528	6,240	6,090	7,068	6,459
Commercial production (mil. lb.)										
Beef	23,673	25,667	24,986	1,985	2,080	2,045	2,077	1,953	2,073	1,910
Veal	827	813	794	59	68	63	62	56	60	50
Lamb and mutton	399	361	341	31	27	25	25	23	28	25
Pork	11,586	12,488	13,051	1,119	1,241	1,108	1,050	1,013	1,179	1,093
Market prices Dol. per 100 pounds										
Slaughter cattle:										
Choice steers, Omaha	44.61	39.11	40.38	40.08	41.83	43.13	43.62	45.02	48.66	52.52
Utility cows, Omaha	21.09	25.31	25.32	27.63	23.80	25.02	27.59	30.34	32.44	36.94
Choice vealers, S. St. Paul	40.44	45.18	48.19	52.88	40.98	40.50	40.50	43.75	47.60	69.45
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	41.81	39.94	41.33	44.07	47.60	52.00	55.08
Slaughter hogs:										
Barrows and gilts, No. 1&2, Omaha ⁴	50.12	44.70	42.10	37.64	40.43	45.38	46.95	49.72	48.01	46.60
Barrows and gilts, 7-markets	48.32	43.11	41.07	36.97	39.33	43.99	45.99	48.83	47.50	46.04
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	41.49	32.32	30.38	35.88	44.12	51.63	54.57
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	44.45	49.87	54.28	59.62	55.06	58.75	61.44	64.88	76.69	73.12
Ewes, Good, San Angelo	15.34	17.69	19.19	18.19	20.88	25.75	26.19	26.94	28.40	23.81
Feeder lambs:										
Choice, San Angelo	41.40	51.28	55.12	59.19	63.19	68.83	67.00	76.31	80.85	73.33
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	72.55	60.99	62.69	60.54	65.47	68.10	68.74	71.08	74.88	81.43
Canner and Cutter cow beef	42.90	52.00	51.68	56.42	48.32	51.97	57.64	62.92	67.79	74.13
Pork loins, 8-14 lb.	92.69	86.45	83.04	73.42	76.95	88.70	91.60	92.63	90.04	103.05
Pork bellies, 12-14 lb.	78.52	65.27	54.19	55.23	43.79	51.32	59.37	67.14	74.54	70.61
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	63.70	94.22	92.09	83.00	87.76	80.35	72.34

	Annual			1976			1977				1978	
	1975	1976	1977	IV	I	II	III	IV	I	II		
Cattle on feed (23-States):												
Number on feed (thou. head) ¹	9,622	12,328	11,948	9,282	11,948	10,619	9,765	9,793	12,799	11,716		
Placed on feed (thou. head) ²	24,685	25,508	27,657	8,762	5,614	6,007	6,479	9,557	6,479	—		
Marketings (thou. head)	20,500	24,170	24,861	5,684	6,462	6,147	6,159	6,093	6,773	—		
Other disappearance (thou. head)	1,479	1,718	1,935	412	481	714	292	448	789	—		
Hogs and pigs (14-States):⁶												
Inventory (thou. head) ¹	47,170	41,855	47,120	48,885	47,120	44,100	46,640	50,000	48,380	44,680		
Breeding (thou. head) ¹	6,283	6,368	6,788	6,828	6,788	7,016	7,352	7,307	7,477	6,930		
Market (thou. head) ¹	40,887	35,487	40,332	42,057	40,332	37,084	39,288	42,693	41,833	37,750		
Farrowings (thou. head)	8,417	9,996	10,506	2,524	2,304	2,893	2,716	2,593	2,285	2,935		
Pig crop (thou. head)	60,476	72,580	75,217	17,970	15,586	21,386	19,625	18,620	15,626	—		

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Wool:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
U.S. wool price, Boston ¹ (cts./lb.)	150	182	183	182	182	182	182	178	178	181
Imported wool price, Boston ² (cts./lb.)	202	214	224	227	228	224	223	223	226	228
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	94,117	106,629	95,485	7,925	7,000	7,947	7,677	8,228	10,430	n.a.
Carpet wool (thou. lb.)	15,908	15,117	12,526	924	785	1,028	979	826	1,234	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Crops and Products

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ³			
	1976/77	1977/78 estimated	1978/79 projected [*]		1976/77	1977/78 estimated	1978/79 projected [*]	
			Alt. I	Alt. II			Alt. I	Alt. II
Wheat:								
		Mil. acres				Mil. hectares		
Area								
Planted	80.2	74.8	—	—	32.5	30.3	—	—
Harvested	70.8	66.2	—	—	28.7	26.8	—	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	30.3	30.6	—	—	2.1	2.1	—	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	665	1,112	1,205	1,205	18.1	30.3	32.8	32.8
Production	2,142	2,026	1,920	1,610	58.3	55.1	52.3	43.8
Imports	3	2	2	2	.1	.1	.1	.1
Supply, total	2,810	3,140	3,127	2,817	76.5	85.5	85.1	76.7
Domestic	748	835	786	684	20.4	22.7	21.4	18.6
Exports	950	1,100	1,000	1,300	25.8	29.9	27.2	35.4
Use, total	1,698	1,935	1,786	1,984	46.2	52.7	48.6	54.0
Ending stocks	1,112	1,205	1,341	833	30.3	32.8	36.5	22.7
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.73	³ 2.31	2.25-2.75	3.25-3.75	100.31	³ 84.88	83-101	119-138
Price, Kansas City, No. 1 HRW	2.88	⁴ 2.69	—	—	105.82	⁴ 98.84	—	—
Rice:								
		Mil. acres				Mil. hectares		
Area								
Allotment	1.80	1.80	—	—	.73	.73	—	—
Planted	2.51	2.21	—	—	1.01	.92	—	—
Harvested	2.50	2.20	—	—	1.00	.91	—	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	4.663	4.412	—	—	5.23	4.95	—	—
		Mil. cwt.				Mil. metric tons		
Beginning stocks	36.9	40.5	27.9	27.9	1.67	1.83	1.26	1.26
Production	115.6	99.2	131.5	114.3	5.24	4.50	5.96	5.18
Imports	.1	—	—	—	.01	—	—	—
Supply, total	152.6	139.7	159.4	142.2	6.92	6.33	7.22	6.44
Domestic	42.7	43.8	43.1	47.1	1.94	1.99	1.95	2.13
Exports	65.6	68.0	61.2	70.4	2.98	3.08	2.77	3.19
Use, total	108.3	111.8	104.3	117.5	4.92	5.07	4.72	5.32
Ending stocks	40.5	27.9	55.1	24.7	1.83	1.26	2.50	1.12
Difference unaccounted	+3.8	—	—	—	+1.7	—	—	—
		Dol. per cwt.				Dol. per metric ton		
Price received by farmers	7.02	³ 9.43	6.25-6.75	9.00-10.00	154.76	³ 207.89	138-149	198-220
Price, long-grain milled, S.W. La.	14.60	⁴ 21.29	—	—	321.87	⁴ 468.92	—	—
Feed grains:⁵								
		Mil. acres				Mil. hectares		
Area								
Planted	128.7	128.1	—	—	52.1	51.8	—	—
Harvested	106.3	107.0	—	—	43.0	43.3	—	—
		Tons per acre				Metric tons per hectare		
Yield per harvested unit	2.01	2.07	—	—	4.50	4.65	—	—
		Mil. short tons				Mil. metric tons		
Beginning stocks	19.0	33.0	48.2	48.2	17.2	29.9	43.8	43.8
Production	213.2	222.0	232.2	188.5	193.4	201.5	210.7	171.0
Imports	.4	.3	.3	.3	.4	.3	.3	.3
Supply, total	232.6	255.3	280.7	237.0	211.0	231.7	254.8	215.1
Feed	124.1	129.7	144.0	127.2	112.6	117.7	130.6	115.4
Food, seed, and industrial uses	19.7	20.5	21.3	20.5	17.9	18.6	19.4	18.6
Domestic, total	143.8	150.2	165.3	147.7	130.5	136.3	150.0	134.0
Exports	55.8	56.9	49.4	59.1	50.6	51.6	44.8	53.6
Use, total	199.6	207.1	214.7	206.8	181.1	187.9	194.8	187.6
Ending stocks	33.0	48.2	66.0	30.2	29.9	43.8	60.0	27.4

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79 projected*		1976/77	1977/78 estimated	1978/79 projected*	
			Alt. I	Alt. II			Alt. I	Alt. II
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	84.4	82.7	—	—	34.2	33.5	—	—
Harvested	71.3	70.0	—	—	28.9	28.3	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	87.9	90.8	—	—	5.51	5.71	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	399	884	1,207	1,207	10.1	22.5	30.7	30.7
Production	6,266	6,357	6,700	5,500	159.2	161.5	170.2	139.7
Imports	3	1	1	1	.1	(⁶)	(⁶)	(⁶)
Supply, total	6,668	7,242	7,908	6,708	169.4	184.0	200.9	170.4
Feed	3,587	3,750	4,125	3,725	91.1	95.2	104.8	94.6
Food, seed, and industrial uses	513	535	560	540	13.0	13.6	14.2	13.7
Domestic, total	4,100	4,285	4,685	4,265	104.1	108.8	119.0	108.3
Exports	1,684	1,750	1,500	1,800	42.8	44.5	38.1	45.7
Use, total	5,784	6,035	6,185	6,065	146.9	153.3	157.1	154.0
Ending stocks	884	1,207	1,723	643	22.5	30.7	43.8	16.4
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.15	³ 2.05	1.90-2.00	2.40-2.60	84.64	³ 80.70	75-79	94-102
Price, Chi., No. 2 yellow	2.30	⁴ 2.21	—	—	90.55	⁴ 87.00	—	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	50.2	59.1	—	—	20.3	23.9	—	—
Harvested	49.4	57.9	—	—	20.0	23.4	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	26.1	29.6	—	—	1.76	1.99	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	245	103	170	170	6.7	2.8	4.6	4.6
Production	1,288	1,716	1,900	1,550	35.1	46.7	51.7	42.2
Supply, total	1,533	1,819	2,070	1,720	41.7	49.5	56.3	46.8
Crushings	790	925	960	915	21.5	25.2	26.7	24.9
Exports	564	650	700	625	15.3	17.7	19.0	17.0
Seed, feed, and residual	76	74	80	80	2.1	2.0	2.2	2.2
Use, total	1,430	1,649	1,760	1,620	38.9	44.8	47.9	44.1
Ending stocks	103	170	310	100	2.8	4.6	8.4	2.7
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	³ 6.81	6.00	5.25-5.75	7.50-8.00	³ 250	220	193-211	276-294
Price, Chi., No. 1 yellow	7.36	⁴ 5.81	—	—	270.43	⁴ 213.5	—	—
Soybean oil:								
	Mil. lb.				Thou. metric tons			
Beginning stocks	1,251	767	820	820	567	348	372	372
Production	8,578	10,203	10,580	9,880	3,891	4,628	4,799	4,482
Supply, total	9,829	10,970	11,400	10,700	4,458	4,976	5,171	4,854
Domestic	7,515	8,200	8,500	8,300	3,409	3,720	3,856	3,765
Exports	1,547	1,950	1,900	1,700	702	885	862	771
Use, total	9,062	10,150	10,400	10,000	4,111	4,604	4,717	4,536
Ending stocks	767	820	1,000	700	348	372	454	318
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	24	26	19-22	28-30	52.9	57.3	41.9-48.5	61.7-66.1

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79 projected ^a		1976/77	1977/78 estimated	1978/79 projected ^a	
			Alt. I	Alt. II			Alt. I	Alt. II
Soybean meal:		Thou. short tons				Thou. metric tons		
Beginning stocks	355	228	380	380	322	207	345	345
Production	18,488	22,252	23,270	21,730	16,772	20,187	21,110	19,713
Supply, total	18,843	22,480	23,650	22,110	17,094	20,394	21,455	20,058
Domestic	14,056	16,500	17,200	16,250	12,751	14,969	15,604	14,742
Exports	4,559	5,600	6,000	5,500	4,136	5,080	5,443	4,990
Use, total	18,615	22,100	23,200	21,750	16,887	20,049	21,047	19,731
Ending stocks	228	380	450	360	207	345	408	327
		Dol. per short ton				Dol. per metric ton		
Price, bulk, Decatur, 44%	199.80	170.00	155-165	200-210	220.26	187.39	171-182	220-231
Cotton:⁷		Mil. acres				Mil. hectares		
Area								
Planted	11.7	13.7	—	—	4.7	5.5	—	—
Harvested	10.9	13.3	—	—	4.4	5.4	—	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	465	525	—	—	.52	.59	—	—
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks	^a 3.7	^a 2.9	5.4	5.4	^b .8	^b .6	1.1	1.1
Production	10.6	14.4	13.0	11.0	2.3	3.1	2.8	2.4
Supply, total ⁹	14.3	17.3	18.4	16.4	3.1	3.8	4.0	3.6
Mill use	6.7	6.7	7.3	6.3	1.5	1.5	1.6	1.4
Exports	4.8	5.5	4.8	6.2	1.0	1.2	1.0	1.4
Use, total	11.5	12.2	12.1	12.5	2.5	2.7	2.6	2.7
Difference unaccounted ¹⁰ . . . . .	.1	.2	.2	.2	(^c)	(^c)	(^c)	(^c)
Ending stocks	^a 2.9	^a 5.4	6.5	4.1	^b .6	^b 1.1	1.4	.9
		Cts. per lb.				Cts. per kilogram		
Price received by farmers	64.1	¹¹ 52.0	—	—	141.3	¹¹ 114.6	—	—
Price, SLM, 1-1/16 in., spot	70.9	⁴ 51.2	—	—	156.3	⁴ 112.9	—	—

¹ Marketing Year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through April 1978. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to January 1, 1978.

* Alternative I reflects relatively favorable production conditions worldwide; Alternative II assumes relatively unfavorable production conditions worldwide.

Feed grains:

	Marketing year ¹			1977			1978			
	1974/75	1975/76	1976/77	Apr	Nov	Dec	Jan	Feb	Mar	Apr p
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	2.50	2.14	2.19	2.19	2.21	2.36	2.51
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.04	4.46	3.49	3.62	3.40	3.36	3.37	3.49	3.78	3.92
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.34	2.28	1.65	1.65	1.65	1.65	1.66	1.90
Barley, malting, Minneapolis (\$/bu.) ²	4.16	3.52	3.13	2.91	2.36	2.32	2.26	2.33	2.32	2.44
Exports:										
Corn (mil. bu.)	1,149	1,711	1,684	142	144	154	128	129	158	*152
Feed grains (mil. short tons) ³	39.4	55.1	55.8	4.6	4.6	5.3	4.2	4.3	5.1	*5.2

	Marketing Year ¹			1976	1977			1978		
	1974/75	1975/76	1976/77	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar p	Apr-May p
Corn:										
Stocks, beginning (mil. bu.)	484	361	399	399	4,890	3,293	2,365	884	5,463	3,840
Domestic use:										
Feed (mil. bu.)	3,226	3,592	3,587	1,158	1,070	550	808	1,236	1,076	—
Food, seed, ind. (mil. bu.)	451	490	513	121	127	96	169	125	133	—
Feed grains: ³										
Stocks, beginning (mil short tons)	23.7	16.9	19.0	29.8	163.8	109.2	77.4	47.8	187.1	131.4
Domestic use:										
Feed (mil. short tons)	116.1	128.0	124.1	40.9	36.0	18.5	28.5	42.5	37.2	—
Food, seed, ind. (mil. short tons)	17.7	18.8	19.7	4.4	4.8	4.2	6.3	4.6	5.0	—

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats and barley. *Based on Inspections for Export. p Preliminary.

Food grains:

	Marketing year ¹			1977			1978 ²			
	1974/75	1975/76	1976/77	Apr ³	Nov	Dec	Jan	Feb	Mar	Apr
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ¹	4.20	3.74	2.88	2.52	2.81	2.80	2.82	2.84	3.07	3.21
Wheat, DNS, Minneapolis (\$/bu.) ¹	4.57	3.74	2.96	2.75	2.71	2.68	2.73	2.72	2.86	3.08
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.21	6.20	6.58	6.49	6.99	6.68	6.96	8.25
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	7.12	7.34	7.20	7.59	7.32	7.65	8.64
Rice, S.W. La. (\$/cwt.) ³	21.50	17.20	14.60	15.65	22.10	24.15	24.00	24.00	23.75	23.50
Wheat:										
Exports (mil. bu.)	1,018	1,173	950	79	61	93	68	100	111	—
Mill grind (mil. bu.)	538	572	593	46	50	52	48	49	55	—
Wheat flour production (mil. cwt.)	239	255	263	21	22	23	22	22	25	—

	Marketing year ¹			1976	1977				1978	
	1974/75	1975/76	1976/77	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	2,188	1,782	1,390	1,112	2,398	1,990	1,523
Domestic use:										
Food (mil. bu.)	521	559	553	144	138	83	182	148	145	—
Feed and seed (mil. bu.) ⁴	151	162	195	43	75	44	178	35	43	—
Exports (mil. bu.)	1,018	1,173	950	220	179	152	382	225	279	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Wholesale Prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.52	8.10	4.21	4.05	4.02	3.92	3.79	4.67
Iceberg lettuce (\$/ctm.) ¹	2.70	3.57	3.23	2.06	5.41	2.78	5.68	4.27	3.66	9.77
Tomatoes (\$/ctm.) ²	5.81	6.44	6.61	9.16	11.62	7.48	7.27	6.57	7.78	11.89
Wholesale price index, 10 canned veg. (1967=100)										
	168	160	170	174	168	166	167	168	165	166
Grower Price index, fresh commercial veg. (1967=100)										
	173	173	198	216	210	163	207	201	209	278

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Wholesale Price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	173.6	176.5	160.0	177.6	183.2	188.2	200.1
Dried fruit (1967=100)	213.4	234.9	338.4	357.2	286.3	286.3	285.8	284.3	284.3	285.1
Canned fruit and juice (1967=100)	173.8	174.4	190.4	187.7	198.8	201.0	202.7	204.1	204.9	205.7
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	184.7	225.9	228.6	228.6	228.7	229.9	229.9
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	7.36	7.46	9.11	9.48	9.29	9.50	9.50	9.50	10.87	11.89
Pears, Yakima Valley (\$/box) ²	6.63	7.35	6.94	6.66	7.87	8.10	8.64	9.06	11.17	14.83
Oranges, U.S. avg. (\$/box)	6.76	6.72	7.44	7.24	9.91	9.53	9.69	10.17	10.18	9.51
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	6.28	6.23	6.26	5.91	5.91	5.83	5.66
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	609.5	3,142.2	2,710.9	2,138.0	1,656.5	751.6	451.0
Fresh pears (mil. lb.)	170.5	162.3	211.6	51.8	239.2	205.5	162.1	106.6	23.3	3.8
Frozen fruit (mil. lb.)	607.3	558.3	538.9	376.3	687.2	639.9	607.8	547.8	468.5	420.8
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	1,220.8	683.7	554.9	613.0	736.8	871.6	1,045.8

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's: Regular storage through Feb., C.A. Storage beginning March. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's: Regular storage through Feb., C.A. Storage beginning March.

Cotton:

	Marketing year ¹			1977			1978			
	1974/75	1975/76	1976/77	Apr	Nov	Dec	Jan	Feb	Mar	Apr
U.S. price, SLM, 1-1/16 in. (cts./lb.) ¹	41.7	58.0	70.9	73.7	48.0	48.4	51.1	52.9	55.0	54.7
Northern Europe Prices:										
Index (cts./lb.) ³	52.5	65.3	81.7	85.3	57.9	59.5	64.1	66.4	68.5	69.3
U.S., SM 1-1/16 in. (cts./lb.) ⁴	56.4	71.4	82.4	86.1	59.6	61.0	64.8	66.0	68.3	69.4
U.S. mill consumption (thou. bales)	5,833.7	7,227.7	6,674.4	674.6	521.5	585.7	513.0	521.4	644.3	—
Exports (thou. bales)	3,925.9	3,311.3	4,783.6	563.6	347.5	519.6	516.4	527.8	741.9	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ¹			1977			1978			
	1974/75	1975/76	1976/77	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	9.74	5.77	5.87	5.65	5.57	6.53	6.81
Crushings (mil. bu.)	701.3	865.1	790.2	67.1	85.2	86.6	85.3	75.4	86.5	80.1
Processing margin (\$/bu.) ²	.17	.16	.19	.26	.26	.26	.32	.28	.40	.14
Exports (mil. bu.)	420.7	555.1	564.1	57.0	87.7	57.0	52.6	54.4	66.6	72.7
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	29.6	21.0	22.6	20.9	21.7	26.6	26.8
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	747.3	922.3	931.5	911.9	809.4	943.3	867.1
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	632.9	717.5	656.2	742.3	719.1	721.1	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	114.0	185.5	175.6	115.0	147.9	263.1	232.5
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	1,846.4	752.1	766.5	859.2	913.8	856.5	815.7
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	275.60	161.70	160.10	162.20	152.90	171.90	173.00
Production (thou. ton)	16,701.5	20,754.2	18,488.1	1,596.0	2,017.3	2,044.1	2,007.0	1,778.4	2,050.0	1,875.3
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	1,189.1	1,506.4	1,518.1	1,381.5	1,335.8	1,340.9	1,144.4
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	368.0	533.9	520.6	618.5	454.6	721.5	659.3
Stocks, beginning (thou. ton)	507.3	358.3	354.9	412.6	270.0	239.8	251.7	239.7	227.3	298.9
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	42.5	36.9	36.1	34.5	34.6	39.0	41.7

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil, calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Wholesale price, N.Y. (\$/cwt.) ¹	22.47	13.31	³ 10.99	12.57	—	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1 2}	9,974	10,856	⁴ 11,210	896	958	832	764	772	⁴ 900	⁴ 851

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Prices at auctions:										
Flue-cured (cts./lb.) ¹	99.8	110.4	117.6	—	100.2	—	—	—	—	—
Burley (cts./lb.) ¹	105.6	114.2	120.0	105.5	121.4	118.3	121.3	122.1	115.5	—
Domestic consumption ³										
Cigarettes (bil.)	588.3	617.1	³ 592.0	45.1	51.4	42.9	48.4	49.3	55.3	—
Large cigars (mil.)	5,692	5,266	³ 4,841	369.2	406.9	380.8	364.0	354.9	434.2	—

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1977p			1978p			
	1975	1976	1977p	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.39	333.50	228.51	201.15	200.11	191.31	167.67	166.78
Imports, green bean equivalent (mil. lb.) ¹	2,767	2,717	1,974	233	125	173	228	217	230	n.a.
	Annual			1976			1977p			
	1975	1976	1977p	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Roastings (mil. lb.) ²	2,454	2,519	1,892	510	611	629	428	313	522	584

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p preliminary, n.a. not available.

General Economic Data

Gross national product and related data

	Annual			1976			1977				1978
	1975	1976	1977	I	II	IV	I	II	III	IV	I
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,528.8	1,706.5	1,889.6	1,691.9	1,727.3	1,755.4	1,810.8	1,869.9	1,915.9	1,961.8	1,993.4
Personal consumption expenditures	980.4	1,094.0	1,211.2	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0	1,218.9	1,259.5	1,281.9
Durable goods	132.9	158.9	179.8	156.7	159.3	166.3	177.0	178.6	177.6	186.0	183.2
Nondurable goods	409.3	442.7	480.7	437.1	444.7	458.8	466.6	474.4	481.8	499.9	503.9
Clothing and shoes	70.2	76.3	83.0	74.3	76.9	79.9	79.3	80.4	83.3	89.0	85.4
Food and beverages	209.5	225.5	246.2	223.9	227.0	232.0	237.9	244.8	248.3	254.0	259.3
Services	438.2	492.3	550.7	484.6	498.2	513.9	528.8	541.1	559.5	573.7	594.8
Gross private domestic investment	189.1	243.3	294.2	244.4	254.3	243.4	271.8	294.9	303.6	306.7	319.5
Fixed investment	200.6	230.0	276.1	226.1	232.8	244.3	258.0	273.2	280.0	293.2	299.8
Nonresidential	149.1	161.9	185.1	159.8	164.9	167.6	177.0	182.4	187.5	193.5	199.7
Residential	51.5	68.0	91.0	66.3	67.8	76.7	81.0	90.8	92.5	99.7	100.1
Change in business inventories	-11.5	13.3	18.2	18.3	21.5	-9	13.8	21.7	23.6	13.5	19.7
Net exports of goods and services	20.4	7.8	-10.9	10.2	7.9	3.0	-8.2	-9.7	-7.5	-18.2	-24.6
Exports	147.3	162.9	174.7	160.6	168.4	168.5	170.4	178.1	179.9	170.6	180.3
Imports	126.9	155.1	185.6	150.4	160.6	165.6	178.6	187.7	187.4	188.8	204.8
Government purchases of goods and services	338.9	361.4	395.0	358.9	363.0	370.0	374.9	390.6	400.9	413.8	416.6
Federal	123.3	130.1	145.4	128.5	130.2	134.2	136.3	143.6	148.1	153.8	152.7
State and local	215.6	231.2	249.6	230.4	232.7	235.8	238.5	247.0	252.9	260.0	263.9
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,202.1	1,274.7	1,337.3	1,271.5	1,283.7	1,287.4	1,311.0	1,330.7	1,347.4	1,360.2	1,358.8
Personal consumption expenditures	775.1	821.3	861.2	815.5	822.7	839.8	850.4	854.1	860.4	879.8	877.5
Durable goods	112.7	127.5	138.2	126.6	127.1	130.7	136.9	137.9	136.5	141.6	137.1
Nondurable goods	307.6	321.6	333.7	319.3	321.5	329.4	329.7	330.0	332.4	342.7	337.7
Clothing and shoes	61.5	64.7	67.7	63.4	64.7	65.8	65.5	66.0	67.5	72.0	68.5
Food and beverages	151.9	159.7	167.5	158.6	160.1	163.9	165.4	166.4	167.6	170.8	169.4
Services	354.8	372.2	389.2	369.6	374.0	379.7	383.8	386.3	391.4	395.5	402.8
Gross private domestic investment	141.6	173.0	195.5	175.2	179.4	169.2	186.7	197.2	200.8	197.5	203.5
Fixed investment	151.5	164.5	183.7	163.1	165.6	171.0	177.0	184.0	185.1	188.7	189.7
Nonresidential	112.7	116.8	126.8	115.9	118.5	119.0	124.3	126.4	127.6	128.9	130.6
Residential	38.8	47.7	56.9	47.1	47.1	52.0	52.7	57.6	57.5	59.9	59.1
Change in business inventories	-9.9	8.5	11.8	12.1	13.8	-1.8	9.7	13.2	15.7	8.7	13.8
Net exports of goods and services	22.5	16.0	9.5	16.4	17.0	13.8	10.6	9.4	12.2	5.9	3.4
Exports	89.9	95.8	97.5	95.2	97.9	96.9	96.9	98.5	99.8	94.8	98.0
Imports	67.4	79.8	88.0	78.9	80.9	83.1	86.3	89.1	87.6	88.9	94.6
Government purchases of goods and services	263.0	264.4	271.1	264.4	264.6	264.6	263.3	270.0	274.0	277.0	274.4
Federal	96.7	96.5	101.4	96.1	96.7	97.1	97.0	101.1	103.3	104.2	101.7
State and local	166.3	167.9	169.7	168.4	168.0	167.5	166.4	168.9	170.7	172.8	172.6
New plant and equipment expenditures (\$ bil.)	112.78	120.49	135.80	118.12	122.55	125.22	130.16	134.24	140.38	138.11	146.25
Implicit price deflator for GNP (1972=100)	127.18	133.88	141.29	133.06	134.56	136.35	138.13	140.52	142.19	144.23	146.71
Disposable income (\$bil.)	1,084.4	1,185.8	1,309.2	1,174.1	1,193.3	1,222.6	1,252.4	1,292.5	1,323.8	1,368.3	1,402.1
Disposable income (1972 \$bil.)	857.3	890.3	930.9	887.8	890.7	901.5	908.4	924.5	934.4	955.8	959.9
Per capita disposable income (\$)	5,077	5,611	6,037	5,462	5,540	5,665	5,793	5,967	6,098	6,290	6,435
Per capita disposable income (1972 \$)	4,014	4,137	4,293	4,130	4,135	4,177	4,202	4,268	4,305	4,394	4,405
U.S. population, tot. incl. military abroad (mil.)	213.6	215.1	216.8	214.9	215.4	215.8	216.2	216.6	217.1	217.5	217.9
Civilian population (mil.)	211.4	213.0	214.7	212.8	213.2	213.7	214.1	214.5	214.9	215.4	215.8

See footnotes at end of next table.

Selected monthly indicators

	Annual			1977			1978			
	1975	1976	1977p	Apr	Nov	Dec	Jan	Feb	Mar	Apr ¹
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	117.8	129.8	137.1	136.1	139.3	139.7	138.8	139.2	141.0p	142.5p
Manufacturing (1967=100)	116.3	129.5	137.1	135.8	139.9	140.5	138.7	139.3	141.3p	142.7p
Durable (1967=100)	109.3	121.7	129.5	128.0	132.7	133.4	131.1	131.6	134.3p	136.2p
Nondurable (1967=100)	126.4	140.9	148.1	147.0	150.1	150.9	149.8	150.5	151.5p	152.0p
Leading economic indicators ² (1967=100)	114.1	124.7	130.8	130.4	134.0	135.0	133.6	134.4	134.2	134.9p
Employment ³ (Mil. persons)	84.8	87.5	90.5	89.9	92.2	92.6	92.9	93.0	93.3	93.8
Unemployment rate ⁴ (%)	8.5	7.7	7.0	7.1	6.7	6.4	6.3	6.1	6.2	6.0
Personal income ¹ (\$bil. annual rate)	1,253.4	1,382.7	1,536.7	1,510.1	1,602.3	1,622.7	1,625.2	1,634.5	1,656.8p	1,680.1p
Hourly earnings in manufacturing ⁵ (\$)	4.81	5.19	5.63	5.53	5.81	5.88	5.93	5.94	5.96p	5.99p
Money stock (daily average) ² (\$bil.)	\$294.5	\$312.6	\$336.7	322.0	334.7	336.7	339.4	339.1	340.1p	344.2p
Time and savings deposits (daily average) ² (\$bil.)	\$450.9	\$489.7	\$544.9	504.5	540.0	544.9	550.5	556.8	562.1p	565.5p
Three-month Treasury bill rate ² (%)	5.838	4.989	5.265	4.540	6.160	6.063	6.448	6.457	6.319	6.306
Aaa corporate bond yield (Moody's) ⁶ (%)	8.83	8.43	8.02	8.04	8.08	8.19	8.41	8.47	8.47	8.56p
Interest rate on new home mortgages ⁷ (%)	9.01	8.99	9.01	8.94	9.07	9.09	9.15	9.18	9.26	9.30p
Housing starts, private (including farm) (thou.)	1,160.4	1,537.5	1,987.1	1,899	2,096	2,203	1,548	1,569	2,060p	2,189p
Auto sales at retail, total ¹ (mil.)	8.6	10.1	11.2	11.8	10.5	11.5	9.8	10.5	11.9p	12.5p
Business sales, total ¹ (\$bil.)	179.6	200.8	223.8	221.0	231.5	237.3	230.2	238.4	242.1p	—
Business inventories, total ¹ (\$bil.)	283.6	309.2	334.8	320.3	333.2	334.8	337.7	340.4	344.7	—
Sales of all retail stores (\$bil.) ⁹	48.4	53.5	59.0	58.1	61.6	62.1	59.9	61.7	62.3p	63.6p
Durable goods stores (\$bil.)	14.9	17.5	19.9	19.8	20.7	20.9	19.8	20.6	20.7p	21.7p
Nondurable goods stores (\$bil.)	33.5	36.0	39.1	38.3	40.9	41.1	40.1	41.1	41.6	41.8p
Food stores (\$bil.)	11.5	12.2	13.0	12.9	13.6	13.4	13.6	13.9	13.9p	14.2p
Eating and drinking places (\$bil.)	4.3	4.8	5.3	5.2	5.5	5.5	5.4	5.5	5.7p	5.7p
Apparel and accessory stores (\$bil.)	2.6	2.8	2.8	2.7	3.0	2.9	2.7	2.8	2.9p	2.9p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the Year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary. Note: Total business sales and inventories revised beginning 1958.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1977			1978			
	1975	1976	1977	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.16	3.65	2.85	2.78	3.12	3.18	3.25	3.29	3.43	3.67
Corn, f.o.b. Gulf ports (\$/bu.)	3.10	2.91	2.49	2.73	2.47	2.55	2.57	2.71	2.80	3.04
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	2.95	2.73	2.30	2.44	2.36	2.36	2.35	2.39	2.52	2.72
Soybeans, f.o.b. Gulf ports (\$/bu.)	5.72	6.07	7.38	10.03	6.14	6.31	6.24	6.33	7.20	7.54
Soybean oil, Decatur (cts./lb.)	25.39	18.05	23.69	29.60	20.99	22.64	20.91	21.65	26.62	n.a.
Soybean meal, Decatur (\$/ton)	124.05	155.82	192.17	275.60	161.70	160.10	162.20	152.90	171.90	173.00
Cotton, 10 market avg. spot (cts./lb.)	44.70	67.70	60.48	73.67	47.98	48.42	51.05	52.89	55.01	54.72
Tobacco, avg. Price of auction (cts./lb.)	103.50	105.73	114.24	110.98	117.50	117.90	117.76	117.30	115.70	117.00
Rice, f.o.b. mill, Houston (\$/cwt.)	21.28	16.17	16.96	15.45	22.60	24.15	25.00	25.00	24.10	23.25
Inedible tallow, Chicago (cts./lb.)	12.04	13.27	13.61	15.59	12.97	13.15	13.62	14.12	15.44	15.75
Import commodities:										
Coffee, N.Y. spot (cts./lb.) .....	.77	1.42	2.41	3.27	1.90	2.05	2.09	2.03	1.79	1.72
Sugar, N.Y. spot (cts./lb.)	22.47	13.31	10.99	12.57	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cow meat, f.o.b. port of entry (cts./lb.)	60.20	71.69	68.42	70.33	67.43	71.89	77.81	86.80	90.70	101.50
Rubber, N.Y. spot (cts./lb.)	30.60	39.59	41.59	40.87	43.97	42.58	43.51	44.76	45.36	44.30
Cocoa beans, N.Y. (\$/lb.) .....	.56	.94	1.72	1.89	1.60	1.48	1.31	1.28	1.54	1.53
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.41	4.67	4.17	5.44	n.a.	n.a.	4.65	5.50	6.40	6.61
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.75	1.85	1.76	1.97	1.97	2.07	2.07	2.07	1.94
Quantity Indices										
Export (1967=100)	156	174	177	183	197	214	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	123	138	138	155	104	172	n.a.	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100)	221	207	210	228	199	204	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	203	217	235	264	227	217	n.a.	n.a.	n.a.	n.a.

n.a. not available.

U.S. agricultural exports

	October-March				March			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	49,116	55,534	—	—	6,430	6,280
Meat and preps., excl. poultry (mt)	211	208	298,133	318,467	35	34	54,071	56,493
Dairy products, excl. eggs	—	—	70,352	71,041	—	—	14,992	12,254
Poultry and poultry products	—	—	139,861	163,841	—	—	20,767	31,853
Grains and preparations	—	—	4,857,928	4,436,492	—	—	786,129	911,686
Wheat and wheat flour (mt)	10,532	13,395	1,402,444	1,561,078	1,564	2,959	203,533	359,981
Rice, milled (mt)	1,038	936	311,290	346,259	214	132	61,678	58,147
Feed grains (mt)	27,229	24,559	3,018,140	2,396,256	4,521	4,582	504,377	473,533
Other	—	—	126,054	132,899	—	—	16,541	20,025
Fruits, nuts, and preparations	—	—	501,943	623,061	—	—	82,800	103,385
Vegetables and preparations	—	—	383,045	295,299	—	—	53,770	55,610
Sugar and preps., incl. honey	—	—	32,601	35,528	—	—	5,637	6,840
Coffee, tea, cocoa, spices, etc. (mt)	21	27	59,566	86,053	4	5	11,900	11,861
Feeds and fodders	—	—	833,052	836,275	—	—	198,657	186,640
Protein meal (mt)	2,501	2,906	514,806	565,337	591	671	136,387	135,427
Beverages, excl. distilled alcoholic (hl)	209	221	10,631	11,315	42	57	2,079	2,693
Tobacco, unmanufactured (mt)	165	161	605,469	661,720	25	35	90,843	137,529
Hides, skins, and furskins	—	—	443,551	417,204	—	—	92,501	98,529
Oilseeds	—	—	2,672,856	2,709,401	—	—	474,083	465,773
Soybeans (mt)	9,617	10,776	2,495,066	2,411,926	1,588	1,811	455,135	431,498
Wool, unmanufactured (mt)	1	2	10,244	13,597	(¹)	(¹)	1,375	2,413
Cotton, unmanufactured (mt)	491	588	801,920	812,574	117	153	189,278	203,795
Fats, oils, and greases (mt)	672	645	260,856	263,435	108	102	44,970	42,311
Vegetable oils and waxes (mt)	609	821	353,212	477,975	173	205	100,108	120,001
Rubber and allied gums (mt)	10	5	11,702	6,248	2	(¹)	2,263	294
Other	—	—	294,444	339,582	—	—	58,140	62,710
Total	—	—	12,690,482	12,634,642	—	—	2,290,793	2,518,950

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports by regions

Region ¹	October-March		March		Change from year-earlier	
	1976/77	1977/78	1977	1978	Oct-Mar 1977/78	March 1978
	\$ Mil.				Pct.	
Western Europe	5,084	4,465	890	784	-13	-12
Enlarged European Community	4,137	3,441	678	587	-17	-13
Other Western Europe	947	1,024	212	196	+8	-8
Eastern Europe and USSR	1,041	1,113	214	283	+7	+32
USSR	664	725	158	187	+9	+18
Eastern Europe	376	389	56	96	+3	+71
Asia	4,135	4,351	757	938	+5	+24
West Asia	509	520	91	118	+2	+30
South Asia	325	254	65	90	-22	+38
Southeast Asia, ex. Japan and PRC	1,156	1,356	227	294	+17	+30
Japan	2,146	2,103	374	403	-2	+8
Peoples Republic of China	0	118	0	32	—	—
Latin America	873	1,081	159	205	+24	+29
Canada, excluding transshipments	781	712	136	121	-9	-11
Canadian transshipments	124	131	(²)	1	+6	—
Africa	580	698	121	174	+20	+44
North Africa	336	412	82	107	+23	+30
Other Africa	244	286	39	66	+17	+69
Oceania	73	80	13	13	+10	0
Total ³	12,691	12,631	2,290	2,519	+1	+10

¹ Not adjusted for transshipments. ² Less than \$500,000. ³ Totals may not add due to rounding. p Preliminary.

U.S. agricultural imports

	October-March				March			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	139,091	181,669	—	—	14,815	30,083
Meat and preps., excl. poultry (mt)	374	404	631,634	682,245	65	83	114,066	149,242
Beef and veal (mt)	293	321	393,759	429,563	49	65	69,036	92,740
Pork (mt)	70	71	217,896	229,119	13	16	41,441	51,758
Dairy products, excl. eggs	—	—	161,744	174,173	—	—	21,906	28,815
Poultry and poultry products	—	—	30,383	43,806	—	—	6,216	9,470
Grains and preparations	—	—	92,730	91,334	—	—	16,253	16,344
Wheat and flour (mt)	(¹)	(¹)	190	65	(¹)	(¹)	7	19
Rice (mt)	1	1	400	536	(¹)	(¹)	116	67
Feed grains (mt)	90	104	13,610	10,986	20	13	3,189	1,480
Other	—	—	78,530	79,747	—	—	12,941	14,778
Fruits, nuts, and preparations	—	—	404,689	436,175	—	—	79,424	73,222
Bananas (mt)	1,035	1,045	152,677	150,237	192	146	28,914	21,977
Vegetables and preparations	—	—	275,409	418,009	—	—	64,909	99,028
Sugar and preps., incl. honey	—	—	497,968	546,350	—	—	73,204	61,092
Sugar, cane or beet (mt)	2,010	2,396	408,535	470,043	302	191	55,017	43,769
Coffee, tea, cocoa, spices, etc. (mt)	908	728	2,754,613	2,779,444	170	171	634,463	616,120
Coffee, green (mt)	604	475	2,068,641	1,868,911	110	102	478,513	383,583
Cocoa beans (mt)	109	87	217,917	309,535	19	28	44,163	92,323
Feeds and fodders	—	—	37,207	33,168	—	—	6,353	6,161
Protein meal (mt)	12	4	1,607	760	1	(¹)	208	78
Beverages, excl. distilled alcoholic (hl)	2,548	2,697	243,683	269,265	419	543	38,515	53,871
Tobacco, unmanufactured (mt)	63	69	139,640	169,752	10	13	22,162	29,997
Hides, skins, and furskins	—	—	97,609	120,888	—	—	27,060	37,687
Oilseeds	—	—	34,503	18,676	—	—	7,015	4,187
Soybeans (mt)	(¹)	(¹)	10,139	26,605	(¹)	(¹)	1,065	19,014
Wool, unmanufactured (mt)	16	11	41,931	32,725	3	3	7,806	8,550
Cotton, unmanufactured (mt)	11	5	11,542	2,449	1	1	455	313
Fats, oils, and greases (mt)	5	4	2,247	2,227	1	1	493	498
Vegetable oils and waxes (mt)	569	461	270,236	209,829	80	80	42,894	44,203
Rubber and allied gums (mt)	387	363	305,444	305,076	84	73	67,270	62,539
Other	—	—	262,743	296,225	—	—	53,704	59,455
Total	—	—	6,435,046	6,813,485	—	—	1,298,983	1,390,877

¹ Less than 500. NDTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-March		March	
	1976/77	1977/78	1977	1978
	\$ Mil.			
Agricultural exports ¹	12,699	12,635	2,293	2,519
Nonagricultural exports ²	46,503	47,851	8,562	9,312
Total exports ²	59,202	60,486	10,855	11,831
Agricultural imports ³	6,446	6,817	1,300	1,394
Nonagricultural imports ⁴	61,613	71,259	12,357	13,289
Total imports ⁴	68,059	78,076	13,657	14,683
Agricultural trade balance	6,253	5,818	993	1,125
Nonagricultural trade balance	-15,110	-23,408	-3,795	-3,977
Total trade balance	-8,857	-17,590	-2,802	-2,852

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense grant-aid, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

World Agricultural Production

World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 ¹	
						Alt. I*	Alt. II*
	Mil. units						
Wheat:							
Area (hectare)	216.6	220.4	226.6	233.1	226.1	—	—
Production (metric ton)	372.2	357.0	350.0	415.6	381.6	429.2	373.9
Exports (metric ton)	72.6	68.0	73.1	69.8	73.9	69.3	81.7
Consumption (metric ton) ² . .	364.0	363.4	352.9	376.2	391.6	408.2	392.0
Ending stocks (metric ton) ³ .	69.3	62.9	59.9	99.3	89.4	110.4	71.3
Coarse grains:							
Area (hectare)	341.6	339.6	344.9	347.4	347.8	—	—
Production (metric ton)	667.8	627.1	642.4	699.6	690.2	734.9	663.2
Exports (metric ton)	80.9	69.5	88.5	88.0	88.8	82.8	94.4
Consumption (metric ton) ² . .	672.2	632.0	642.4	677.8	681.5	713.0	680.8
Ending stocks (metric ton) ³ .	59.8	54.9	54.9	76.7	85.4	107.3	67.8
Rice, rough:							
Area (hectare)	135.8	138.0	143.1	141.7	143.1	—	—
Production (metric ton)	329.7	336.8	360.6	348.9	362.2	—	—
Exports (metric ton)	11.3	11.1	11.9	14.2	13.6	—	—
Consumption (metric ton) ² . .	327.6	336.6	352.9	350.1	356.6	—	—
Ending stocks (metric ton) ³ .	17.9	18.2	26.0	24.8	30.4	—	—
Total grains:							
Area (hectare)	694.0	698.0	713.6	722.2	717.0	—	—
Production (metric ton)	1,369.7	1,320.9	1,353.0	1,464.1	1,434.0	—	—
Exports (metric ton)	164.8	148.6	173.5	172.0	176.3	—	—
Consumption (metric ton) ² . .	1,363.8	1,332.0	1,348.2	1,404.1	1,492.7	—	—
Ending stocks (metric ton) ³ .	147.0	136.0	140.8	200.8	205.2	—	—
Oilseeds and meals: ⁴ .							
Production (metric ton)	68.3	64.3	72.7	66.5	76.9	86.6	77.1
Trade (metric ton)	27.3	27.6	33.6	33.7	35.0	37.2	34.6
Fats and oils: ⁵							
Production (metric ton)	47.4	46.5	49.8	48.1	52.6	54.4	52.4
Trade (metric ton)	13.6	13.7	15.8	16.6	17.3	18.0	17.4
Cotton:							
Area (hectare)	32.8	33.4	29.8	30.8	33.1	—	—
Production (bale)	63.2	64.4	54.3	58.2	63.9	63.0	59.0
Exports (bale)	19.6	17.4	19.2	17.5	18.9	17.0	20.0
Consumption (bale)	62.0	58.6	61.8	61.5	61.4	63.8	60.8
Ending stocks (bale)	25.1	31.0	23.3	20.8	23.1	22.3	21.3

¹ Forecast. ² Where stock data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1972 data corresponds with 1971/72, 1973 data with 1972/73, etc..

*Alternative I assumes generally favorable worldwide crop conditions. Alternative II assumes generally unfavorable worldwide crop conditions.



FARMERS' NEWSLETTER

Dear Producer:

There's one thing you can count on about the news: It's always changing. The big news now is the pickup in farm prices, but you'll be keeping a sharp eye on developments in the weeks and months ahead. How can we help? We've got some good news which we can summarize in two words: FARMERS' NEWSLETTERS.

This new series of USDA newsletters is geared specifically to the concerns of farmers. And any--or all--of the newsletters will start coming to you absolutely free if you fill out the form below and return it to us.

The FARMERS' NEWSLETTER series has been authorized by Congress to give you timely information for making decisions about marketing your products and working your farm or ranch. It will keep you abreast of current events affecting your cropping and marketing plans, including farm policy developments. Prospects for farm prices, production, and export demand...how to interpret marketing and planting intentions reports...and much more.

The FARMERS' NEWSLETTERS, published by USDA's Economics, Statistics, and Cooperatives Service, cover five different commodities plus a bonus general letter to all subscribers. Publication dates vary, depending on major developments of interest to you.

Select the 4-page Newsletter you want and mail this request to the office listed below.

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> (1) Wheat | <input type="checkbox"/> (4) Oilseeds |
| <input type="checkbox"/> (2) Feed | <input type="checkbox"/> (5) Cotton |
| <input type="checkbox"/> (3) Livestock | <input type="checkbox"/> (6) General |

Each Newsletter will be published at least five times per year.

Print Last Name	First	Initial
Firm		
Address		
City	State	ZIP

MAIL TO:

ESCS
Room 0054 South Bldg.
USDA
Washington, D.C. 20250

ORDER NOW!

RECENT PUBLICATIONS ORDER FORM

To order recent ESCS publications, circle the number of the report described. For fastest service, leave label on reverse side intact. Clip and return form to:

U.S. DEPARTMENT OF AGRICULTURE
ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE
PUBLICATIONS
ROOM 0054—SOUTH BUILDING
WASHINGTON, D.C. 20250

Suppl. 2 to WAS-15

Suppl. 3 to WAS-15

TB-1583

AER-397

AER-399

AER-403

AH-530

ESCS-12

ESCS-17

ESCS-112

FAER-147

FAER-148

JUNE 1978

AGRICULTURAL OUTLOOK SUBSCRIPTION ORDER FORM

MAIL TO:
SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D.C. 20402

Enter my subscription to AGRICULTURAL OUTLOOK at \$17.00 U.S., \$21.25 foreign:

NAME—FIRST, LAST																								
COMPANY NAME OR ADDITIONAL ADDRESS LINE																								
STREET ADDRESS																								
CITY										STATE					ZIP CODE									

☐ Renewal (Include current address label).

☐ New subscription

☐ Here is my check for \$ _____ payable to Superintendent of Documents

☐ Charge to my Deposit Account No. _____

*Please allow 6 weeks for subscription processing.
Use correct *Postal Service* abbreviation for State.
Do not omit zip code.

MICROFICHE ORDER FORM

MAIL TO:
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
5285 PORT ROYAL ROAD
SPRINGFIELD, VA 22161

Enter my microfiche subscription(s) to AGRICULTURAL OUTLOOK (NTISUB/C/151) at \$25.75 first subscription (North American Continent addresses); \$21 each additional if ordered at the same time to the same address. Other address, \$45 each.

Name _____

Organization _____

Address _____

City, State _____

Zip Code _____

☐ Here is my check for \$ _____ payable to NTIS.

☐ Charge to my NTIS Deposit Account No. _____

☐ Charge to my American Express Card Account Number.

--	--	--	--	--	--	--	--	--	--

Expiration date _____

Signature _____

*Please allow 6 weeks for subscription processing.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS



To submit a change of address, please cut or peel off the mailing label from your most recent issue of Agricultural Outlook Mail (it along with your new address to: Agricultural Outlook, Room 482 GHI Bldg., ESCS-USDA, Washington, D.C. 20250. Allow 6 weeks for processing.